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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Innovative Portfolios LLC. If you have any questions about the contents of this brochure, contact us at 317-689-6450. 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 Innovative Portfolios LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Innovative Portfolios LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure. Since the last annual update of this Brochure dated March 11, 2022, the following material changes have been made:

- Item 4 – Advisory Business: Updated the UCITS Fund Investment Manager Services section with additional descriptions of the fund;
- Item 5 – Fees and Compensation: Updated the UCITS Fund section with additional descriptions of the fund;
- Item 14 - Client Referrals and other Compensation: Updated to reflect changes designed to comply with the SEC Marketing Rule.

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Item 4 Advisory Business

Description of Firm

Innovative Portfolios LLC ("IP" or "Advisor") is a registered investment adviser based in Indianapolis, IN. We are organized as a limited liability company ("LLC") under the laws of the State of Indiana. We have been providing investment advisory services since 2015. We are owned by Sheaff Brock Capital Management, LLC ("SBCM"), a holding company owned by David Gilreath and Ronald Brock.

This Brochure provides important information about Advisor, its services and compensation, the costs of its advisory services, and situations where its interests may conflict with the interests of its clients. Clients should pay particular attention to the discussions about the various potential conflicts of interest because these can affect Advisor's judgment in managing client's account, in recommending the custodian to hold account assets, and in choosing the broker to execute trades for the account, among other important considerations. Advisor acts as subadvisor to Sheaff Brock Investment Advisors, LLC ("SB"), a registered investment advisor which is wholly owned by our parent, SBCM. Advisor will have the authority to invest in shares of the Auer Growth Fund whose investment adviser, SBAuer Funds, LLC ("SBAF"), is partially owned by SBCM. SBCM will benefit economically from advisory fees earned by SB and SBAF. This benefit provides an incentive to invest a client's account in the SBF based on the economic benefit our parent will receive rather than the investment needs of the client.

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

SERVICES ADVISOR OFFERS

- ETF Fund Advisory Services
- Model Portfolio Management Services ("MPM Services")
- Model Marketplace Services
- Private Fund Investment Management Services
- UCITS Fund Investment Management Services

ETF FUND ADVISORY SERVICES

We provide investment advisory services to the Preferred-Plus ETF and Dividend Performers ETF, exchange traded funds of the Listed Funds Trust, an investment company registered under the Investment Company Act of 1940. IP is an investment manager only to the funds and does not run the operations of either fund.

Preferred-Plus ETF ("IPPP")

IPPP investment objective is income. IPPP will use a variety of preferred securities, closed end mutual funds and exchange traded funds ("ETFs") in the core portfolio, while employing an option overlay. The option overlay seeks positive cash flow from creating a position of a credit spread on the S&P 500. A credit spread is an options strategy that involves the purchase of one option and a sale of another option in the same class and expiration but different strike prices. Such a strategy results in a net credit for entering the option position and wants the spreads to narrow or expire for profit.

Dividend Performers ETF ("IPDP")

IPDP investment objective is total return (high current income and capital appreciation). IPDP is a portfolio of high quality, dividend-paying equities in the core portfolio, while employing an option overlay. The option overlay seeks positive cash flow from creating a position of a credit spread on the S&P 500.

Interested investors should refer to the funds' Prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees, and additional disclosures. These documents are available by calling 800-617-0004 or on-line at www.innovativeportfolios.com. Prior to making any investment in the funds, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the funds.

MODEL PORTFOLIO MANAGEMENT SERVICES ("MPM")

We provide discretionary MPM services to separately managed accounts ("SMAs") for registered investment advisors and institutional investors. Each Model Portfolio is designed to meet a particular investment objective. Model Portfolios can be used to build an appropriate mix of income and growth potential for the client. Following are the current Model Portfolios we offer:

Model Portfolio Management Strategies

Each Model Portfolio is designed to meet a particular investment objective. Following are the current Model Portfolios we offer:

IntelliBuild Growth - This model consists of about 33 domestic equity positions which are market cap agnostic. The portfolio is normally 100% invested in equities. The stock selection process uses the Investor's Business Daily IBD 50 and William O'Neil stock lists. The strategy follows a quantitative methodology while utilizing institutional level research. Turnover is reasonably high at about one or two position changes per month. The primary objective of the strategy is capital appreciation.

Outlier Growth - This model consists of about 33 domestic equity positions which are market capitalization agnostic. The portfolio is normally 100% invested in equities. The stock selection process uses a combination of three sources to create quantitative buy and sell decisions:

1. MAP Signals – An institutional research firm that seeks to identify equities with unusually large institutional buy-side volume, and those showing repeated instances of large volume over a period of six months.
2. Revelation Investment Research – An institutional research firm that focuses on "downside risk" attributes and scores stocks on their potential downside vs. the S&P 500.
3. William O'Neil & Co. – The publisher of Investor's Business Daily and quantitative research firm with much of their work focused on technical momentum.

Positions are scored, reviewed, and potentially changed monthly. Turnover can be reasonably high with several changing monthly. The primary objective is capital appreciation.

Dividend Growth & Income - This model consists of about 33 generally domestic equity positions. The portfolio objective is to select stocks that strive to provide high, steady and consistent dividend income as well as seeking stocks that have the ability to increase dividends and provide long term capital appreciation over time. Turnover is low at about two position changes per quarter, less than 45%. The investment objective of the portfolio is income and capital appreciation.

Bulls of the Dow - This model consists of the ten highest scoring stocks in the Dow Jones Industrials Index. The strategy seeks to invest in stocks that offer the best opportunity to avoid downside risk and have the opportunity to offer long term capital appreciation. The selections are rebalanced quarterly which generally results in two to three changes per quarter. Portfolio objective is capital appreciation and dividend income.

Real Estate Income & Growth – The model is a fully invested portfolio of publicly traded Real Estate Investment Trusts (REIT), companies servicing or developing real estate, or funds focused on investments in real estate. The strategy is mostly comprised of generally smaller and midsized capitalization REITs in the 13 REIT sectors of the equity REIT universe. The REITs are selected

based on the investment process of managing downside risk while focused on capturing current income and the opportunity for capital appreciation. The strategy objective is income and the opportunity for capital appreciation.

Preferred Income - This portfolio invests in approximately 25-30 preferred stocks. The portfolio seeks quality preferred securities (both \$25-par retail preferreds and \$25-par bonds) and \$1,000-par institutional preferred capital securities with sufficient liquidity. The portfolio can consist of several differed types of preferreds, including cumulative preferred, callable preferred, adjustable-rate preferred, fixed-to-float preferred and trust preferred. The primary objective is to seek income. Capital appreciation is generally minimal.

Covered Call - This model consists of 25 to 30 generally domestic equities chosen by similar methods described in the above portfolios. Each position is then covered by a "covered call" option position. First, the strategy seeks to earn premium credit from call options that can provide current and consistent income. Second, the strategy seeks to invest in high quality equities that can offer the potential for capital appreciation. Turnover is very high and short-term capital gains are common. The portfolio objective is income and secondarily capital appreciation.

Option Overlay Index Income - The objective of the overlay portfolio is cash flow and eventual capital gain from the premiums of put option credit spreads on a recognized equity ETF/index (usually the S&P 500). A short put spread is initially sold on an equity ETF/index; consisting of a short put option and long put option executed simultaneously. The strategy pairs a short option approximately 3% or more out-of-the money with a long "insurance"-type put usually with a strike price 15% lower. If the spread expires out-of-the-money, a gain is created, and a new spread is written. However, if the spread is in-the-money at or near expiration, the spread is rolled out in time for a credit, and a new "insurance" put is bought. Turnover of the spreads is normally monthly. Issues held are generally marginable stocks, bonds, mutual funds, cash, and credit spread put option positions. Index Income portfolios add additional equity risk to the underlying portfolio holdings.

The Option Overlay Index Income strategy can be managed as a standalone strategy using the client's collateral or managed as an overlay on any of the model strategies detailed above.

MODEL MARKETPLACE SERVICES

Advisor's model portfolio management strategies are made available through various model marketplace platforms. Advisor provides model marketplace platform with regular updates to the investment holdings (i.e., "models") contained in certain Advisor managed investment strategies. Investment advisors then utilize one or more of Advisor's investment models to invest client assets. In these situations, the platform is ultimately responsible for implementing Advisor's ongoing investment recommendations and for performing many other services and functions typically handled by Advisor in a discretionary managed account program. No other services are offered to Model Marketplace accounts, and Advisor considers these assets to be non-discretionary assets under management.

Providing investment management services to both separately managed client accounts and to model marketplace platforms can give rise to certain conflicts of interest. Advisor's recommendations implicit in the investment models provided to the platform typically reflect recommendations also being made by Advisor to other separately managed clients. As a result, Advisor may have already commenced trading for its discretionary separately managed client accounts before the program platform has received or had the opportunity to evaluate and act upon Advisor's investment model recommendations. This could ultimately result in client trades placed by the platform being subject to price movements, particularly with large orders or where the securities are thinly traded, which may result in model program clients receiving prices that are less favorable than those prices obtained by Advisor for its discretionary client accounts.

PRIVATE FUND INVESTMENT MANAGER SERVICES

IP is the investment advisor to a privately-offered pooled investment vehicle ("Private Fund"). The Private Fund is not registered under the Securities Act of 1933 nor the Investment Company Act of 1940. Accordingly, interests in this fund is offered exclusively to investors satisfying the applicable eligibility and suitability requirements in the private placement transaction. No offer to sell the Private Fund is made by the descriptions in this Brochure, and as noted, the fund is available only to investors that are properly qualified. IP provides discretionary investment management services to the Private Fund. The investment management services is offered directly to the Private Fund and not to investors in the Private Fund. Accordingly, such services are tailored to the Private Fund's investment objectives, strategies and guidelines set described in the Private Fund's offering documents.

UCITS FUND INVESTMENT MANAGER SERVICES

IP serves as investment manager to Innovative Portfolios Preferred Income Fund, a UCITS (Undertaking for Collective Investment in Transferable Securities), and a sub-fund of GemCap Investment Funds (Ireland) PLC which is an open-ended umbrella investment company with variable capital incorporated with liability under the laws of Ireland with segregated liability between sub-funds. Information about the Innovative Portfolios Preferred Income Fund, including a description of the management fees and investor eligibility, is contained in the Fund's prospectus, supplement to the prospectus, and key investor information document.

SUBADVISOR SERVICES TO AFFILIATED ADVISOR

IP acts as subadvisor to SB, a registered investment advisor which is a wholly owned by our parent, SBCM. In these arrangements IP offers Model Portfolio Management strategies ("MPM"), as described above, to sub-advised accounts. IP provides continuous and regular supervision of the investment strategy. IP will execute all trades in sub-advised accounts. SB will be responsible for all communications to their client accounts sub-advised by IP. SB will determine suitability for investments in IP's MPM strategies.

AFFILIATED MUTUAL FUND

As described above, Advisor is affiliated by virtue of parent ownership with a registered investment adviser, SBAF, an SEC-registered investment adviser. SBAF offers the Auer Growth Fund. Advisor has the ability to invest in the Auer Growth Fund however in those situations Advisor does not collect an advisory fee. See discussion of the applicable fees and expenses, breakpoints, risks and liquidity issues relating the Auer Growth Fund may be found in the prospectus for the fund at www.sbauerfunds.com

SECURITIES ABOUT WHICH WE OFFER ADVICE

We offer advice regarding a wide variety of securities, including:

- cash and cash equivalent
- exchange-listed or over-the-counter, common, preferred, or convertible securities of domestic or foreign issuers;
- warrants;
- certificates of deposit;
- corporate debt securities;
- municipal securities;
- securities issued by the US Treasury, agencies, or government sponsored enterprises;
- shares of money market funds, open-end investment companies (mutual funds), closed-end funds, unit investment trusts, and exchange-traded funds ("ETFs"); and
- option contracts on securities.

Please refer to the discussion in Item 4 with respect to the MPM strategies and in Item 8 for information about the investments we typically recommend.

Management of Account Until Advisor Receives Notice

Unless and until the client notifies Advisor to designate a different portfolio for the account or to notify Advisor of material changes in the suitability information, Advisor will continue to manage the account according to the investment objective in its records. Clients should inform Advisor promptly of significant changes in the investment goals or objectives, investment time horizon, tolerance for risk, or liquidity needs of their account so that appropriate changes can be made.

Assets Under Management

As of December 31, 2022, IP managed \$588,272,701 on a discretionary basis and \$2,392,620 on a non-discretionary basis for total assets under management of \$590,665,321.

Item 5 Fees and Compensation

ETF FUND UNIFIED MANAGEMENT FEES

IP will be providing investment management for IPDP and IPPP. IP will charge a unified management fee as a percent of fund net asset value as set forth in each funds' prospectus. Our compensation will be paid on a monthly basis from the fund accountant, U.S Bancorp Fund Services, LLC. These and other fees charged by the funds are described in each funds' prospectus and SAI.

MODEL PORTFOLIO MANAGEMENT

The maximum advisory fee for the Model Portfolio Management is 0.75% based upon assets under management. Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the market value of the account assets (including cash) on the last trading day of the previous quarter. All inflows and outflows from the previous quarter in excess of \$20,000 are reflected as a pro-rated fee adjustment on the current quarter's invoice. If services are initiated or terminated at any time other than the beginning or end of a calendar quarter, fees will be pro-rated.

Fees may be negotiated depending on a client's special circumstances such as asset levels, service requirements, or other factors. In some cases, IP may agree to offer clients a fee schedule that is lower than that of other comparable clients in the same investment model or there may be historical fee schedules with longstanding clients that differ from those applicable to new client relationships. IP reserves the right to waive all or a portion of its management fee at any time.

MODEL MARKETPLACE FEES

Advisor is paid a quarterly fee based upon a percentage of assets under management by model marketplace platforms to provide investment management services. Fee is in the range of fees charged by Advisor for Model Marketplace Services.

PRIVATE FUND

The fee schedule for the Private Fund is set forth in offering memorandum. IP and/or its affiliates reserves the right to waive some or all fees for certain investors in the Private Fund, including investors affiliated with IP. The terms set forth in these documents, such as management fees, performance fees, withdrawal and redemption conditions, and information rights, may be negotiable and varied at IP's and/or its affiliates discretion, under side letters depending on the size of the proposed investor, type of investor, and special legal requirements applicable to the proposed investor.

In addition, certain operating and other expenses are borne by the Private Fund and thus are paid by the fund's investors. These are expected to include:

- Legal, accounting, bookkeeping, tax compliance, auditing, consulting and other professional;
- Administration fees and other expenses charged by or relating to the services of third-party providers of administration services;
- Bank service, custodial and similar fees;

- Brokerage expenses, fees and commissions; and
- Other miscellaneous expenses as deemed necessary and proper by the fund's general partner.

Investors in the Private Fund will pay some or all of the above fees. Before investing in the fund, investors should review fund documents, such as the private placement memorandum, to understand the fees that may be applicable to their particular investment.

UCITS FUND

The fee schedule for the Innovative Portfolios Preferred Income Fund is contained in the fund's supplement to the prospectus and key investor information document. IP may enter into agreements with investors of the fund whereby investors may be offered terms and conditions that are different than or more advantageous than terms offered in the fund's offering documents. Such agreements may include rebates directly by IP on fees that an investor may incur in connection with an investment in the Innovative Portfolios Preferred Income Fund.

Additional Fees & Expenses

The Advisory Fees are separate and distinct from a number of other expenses that the accounts will incur, including:

- Brokerage and Investment Expenses
- Investment Company Expenses
- Custodial Expenses

Brokerage and Investment Expenses

As used in this Brochure, the term "Brokerage and Investment Expenses" refers to the following:

- commissions, ticket charges, and other fees charged by brokers (including the Custodians) who execute securities transactions for the account on an agency basis;
- mark-ups, mark-downs, or other spreads included in the amount charged by or paid to a dealer for securities bought or sold on a principal basis, and underwriting fees, dealer concessions, or related compensation in connection with securities acquired in underwritten offerings;
- odd lot differentials, transfer or other taxes, floor brokerage fees, exchange fees, service and handling fees, electronic fund or wire transfer fees, costs of exchanging currencies, and postage and delivery expenses; and
- costs of cash management services (including for "sweep" arrangements of idle cash into bank deposit accounts or money market mutual fund accounts), and direct and indirect fees for other financial or investment services provided by brokers or custodians.

Advisor does not receive any of the Brokerage and Investment Expenses. Please refer to Item 12 for additional information about our brokerage practices and costs.

Investment Company Expenses

Mutual funds, money market funds, ETF's, variable annuities, and UIT's (all referred to as a "fund") deduct from their assets the internal management fees, operating costs, and investment expenses they incur to operate the fund, and the administrative and mortality costs of the variable annuity. These internal expenses also include recordkeeping fees, and transfer and sub-transfer agent fees, among others. All of these represent indirect expenses that are charged to the fund's shareholders.

Frequently, these internal expenses also include "Distribution Fees." These amounts are deducted from the fund's assets to compensate brokers who sell fund shares, as well as to pay for advertising, printing and mailing prospectuses to new investors, and printing and mailing sales literature. Mutual fund internal expenses also commonly include "Shareholder Service Fees" which are amounts deducted from the fund's assets to pay the costs of responding to investor inquiries and providing investors with information about their accounts.

Distribution Fees and Shareholder Service Fees are referred to collectively as “12b-1 Fees,” named after the SEC rule that adopted them. The 12b-1 Fees are calculated for each class of shares of a fund, and are calculated as a percentage of the total assets attributable to the share class. The 12b-1 Fees, Advisor fees, and other ongoing expenses are described in the fund’s prospectus Fee Table. These fees will vary from fund to fund and for different share classes of the same fund. You can use prospectus Fee Tables to help compare the annual expenses of different funds.

Mutual funds may also impose an early redemption fee if shares are redeemed within a short time period, usually within 30, 60 or 90 days from the date of purchase.

Advisor does not receive any Investment Company Expenses.

Custodial Expenses

Clients must pay the cost of services provided by their Custodian for: (1) arranging for the receipt and delivery of securities that are purchased, sold, borrowed or loaned for the account; (2) making and receiving payments with respect to account transactions and securities; (3) maintaining custody of account securities; and (4) maintaining custody of cash, receiving dividends, and processing exchanges, distributions, and rights accruing to the client’s account. The Custodian may be compensated through commissions or other transaction-based fees for securities transactions executed through the Custodian (or its affiliates) or by asset-based fees for investments settled into the Custodian’s accounts, or both. The specific fees and terms of each Custodian’s services are described in the client’s separate custodial agreement.

Refer to Item 12 for more information regarding brokerage services provided by the Custodians.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

Fees for the Purchase or Sale of Securities

Neither IP nor its employees receive transaction-based compensation from the purchase or sale of securities or investments that are transacted in client accounts. IP is compensated solely through stated investment management fees agreed upon in investment advisory agreements maintained between IP and its clients or the sponsor firms, or as set forth in relevant offering documents.

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

Performance-Based Fees

For the Private Fund, IP may receive performance-based fees for its investment management services. A performance-based fee is based upon a percentage of the net profits of the account being managed. When calculating net profits, the performance-based fees is based on an absolute return. Performance-based fees create certain inherent conflicts of interest with respect to IP’s management of assets. Specifically, a performance-based fee can create an incentive for us to take increased risks in managing assets that we would not otherwise take in the absence of such arrangements. Additionally, since performance-based fees reward us for strong performance in accounts which are subject to such fees, IP could have an incentive to favor these accounts over those that have only asset-based fees (i.e., fees based simply on the amount of assets under management in an account) with respect to areas such as trading opportunities, trade allocation, and allocation of new investment opportunities.

To maintain fair and equitable treatment of all accounts, IP has implemented policies, procedures and controls designed to treat accounts fairly and equitably over time, regardless of their fee structure. For example, IP has implemented trade allocation and trade rotation procedures that are agnostic to an account's fee structure, as further described in Item 12. In addition, the Trading and Best Execution Committee and other firm personnel review the performance of accounts with a performance-based fee. The objective of these procedures and review is to ensure that client accounts are treated fairly and equitably over time regardless of the fee structure or fee rate.

Side-by-Side Management

IP investment professionals simultaneously manage multiple types of accounts including separate accounts, exchange traded funds, private fund and UCITS fund according to the same investment strategy or similar investment strategies (i.e., side-by-side management). The simultaneous management of these different investment vehicles creates certain potential conflicts of interest because investment advisory fees charged by us for these different accounts vary. IP seeks to treat all such accounts fairly and equitably over time and maintains policies and procedures for investment allocation and trade rotation to help ensure this occurs.

While IP seeks to treat all accounts fairly and equitably over time, all accounts within the same investment strategy or accounts within similar investment strategies will not necessarily be managed the same at all times. Different client guidelines can lead to the use of different investment practices or portfolio holdings, and/or different performance results for accounts within the same investment strategy. In addition, particularly with respect to IP's preferred securities strategy, IP will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible accounts. Consequently, the performance of any account within a particular strategy or the performance among accounts across similar strategies may differ. Additionally, accounts that have investment restrictions, tax sensitivity, cash requirements or other constraints, then these parameters may affect performance results for that particular account.

Item 7 Types of Clients

IP offers investment advisory services to the following types of clients:

- Investment Companies
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Foundations and Endowments
- Corporations or other businesses not listed above
- Registered Investment Advisors
- Model marketplace platforms
- Private fund
- UCITS fund

Item 8 Methods of Analysis, Investment Strategies and Risks

Our Methods of Analysis

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

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

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

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

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

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

Quantitative Analysis - involves mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share.

Risk: The risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

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

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

Mutual Fund and/or ETF Analysis – involves looking at the experience and track record of the portfolio managers to determine if they have demonstrated the ability to invest successfully over periods of time and in different economic conditions. Consider whether or not there is a significant overlap with the underlying investments held by other mutual funds and ETFs. Monitor the funds in an attempt to determine if they are continuing to follow their stated investment strategies. Evaluate the fees of the portfolio managers and the internal expenses to determine whether the client is receiving adequate value for these fees and expenses.

Risk: past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. Risk that a manager may deviate from the stated investment mandate or strategy of the fund, which could make the fund less suitable for the client's

portfolio. Moreover, cannot control the portfolio manager's daily business or compliance operations, and may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Reliance on Sources of Information: IP's method of analyzing investment opportunities assumes that the information IP receives about securities, managers, and companies, the characteristics and ratings of the securities they issue, and other publicly-available sources of information Advisor utilizes is accurate and unbiased. While IP is alert to indications that data may be incorrect or skewed, there is always a risk that its analysis may be compromised by inaccurate or misleading information.

Investment Strategies

Advisor reserves the right to employ a number of investment strategies in pursuit of the investment objectives for client portfolios, including long-term purchases, short-term purchases (investments expected to be held for less than a year), trading (investments held less than 30 days), and option writing, as follows:

Long - term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short - term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and can result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Option writing. IP may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the owner the right to buy an asset at a certain price within a specific period of time. We may sell a call in order to create additional income in an account if we are comfortable with the option strike price as a suitable sale price for the underlying stock.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may sell a put in order to create additional income in an account if we are comfortable with the option strike price as a suitable buy price for the underlying stock.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a premium for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We may use "cash secured or margin secured puts", in which we sell a put option on security you do not own. In this strategy, you receive a premium for making the option available, and the person purchasing the option has the right to sell the security to you at an agreed-upon price.

A risk of selling puts is that the price of the underlying stock can fall below the agreed-upon option price so that if the put is exercised or we want to buy the option back from the option buyer prior to the termination of the option, a possible loss could be incurred.

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

Risk Factors

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

Catastrophic Events Risk: The value of securities may decline as a result of various catastrophic events, such as pandemics, natural disasters, and terrorism. Losses resulting from these catastrophic events can be substantial and could have a material adverse effect on our business and clients.

Cyber Security Risk: With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, IP may be susceptible to operational and information security risks resulting from cyber-attacks and/or other technological malfunctions. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks include, among others, stealing or corrupting data maintained online or digitally, preventing legitimate users from accessing information or services on a website, releasing confidential information without authorization, gaining unauthorized access to digital systems for purpose of misappropriation of assets and causing operational disruptions. Cyber-attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service. Successful cyber-attacks against, or security breakdowns of IP may adversely affect the client.

IP may have limited ability to prevent or mitigate cyber-attacks or security or technology breakdowns affecting clients. While IP has established business continuity plans and systems designed to prevent or reduce the impact of cyber-attacks, such plans and systems are subject to inherent limitations.

Credit Risk: Debt issuers and other counterparties may not honor their obligations or may have their debt downgraded by rating agencies.

Equity Risk: Equity security values may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of the securities participate or other factors relating to the companies.

Fixed Income Risks: Fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield received from the security. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.

Growth Investing Risks: Growth companies are generally more susceptible than established companies to market events and sharp declines in value. Additionally, growth stocks typically lack the dividend yield that can cushion stock prices in market downturns.

Interest Rate Risk: An increase in interest rates may cause the value of fixed securities to decline. Variable and floating securities may increase or decrease in value in response to changes in interest rates, although to a lesser degree than fixed-income securities.

Leverage Risk: An account may be subject to leverage risk through the use of derivative instruments. Leverage magnifies the account's exposure to declines in the value of one or more underlying investments or creates investment risk with respect to a larger pool of assets than the client would otherwise have and may be considered a speculative technique. The value of an investment will be more volatile and other risks tend to be compounded if and to the extent that use derivatives or other investments have embedded leverage. Engaging in such transactions may cause IP to liquidate positions when it may not be advantageous to do so to satisfy its obligations or to meet maintenance requirements.

Liquidity Risk: The risk that particular investments may become difficult to sell or purchase. There can be no assurance that a liquid market for the investment will be maintained, in which case IP's ability to realize full value in the event of the need to liquidate certain assets may be impaired and/or result in losses. Decreased liquidity may cause IP to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could have a negative effect on performance. IP may be unable to sell illiquid securities even under circumstances when the Adviser believes it would be in the best interest of the client to do so. The market for certain investments may become less liquid or illiquid due to adverse market or economic conditions or changes in the conditions of a particular issuer. Further, transactions in less liquid or illiquid securities may entail transactions costs that are higher than those for transactions in liquid securities.

Management Risks: There is a risk that IP's judgment about the attractiveness, relative value, or potential appreciation of a particular market sector or security, or about the timing of investment purchases or sales, may prove to be incorrect, resulting in losses to the client's account. The success of IP's strategy for an account or Portfolio is subject to IP's ability to continually analyze and select appropriate investments and allocate and re-allocate the investments consistent with the intended investment objectives and risk parameters. There is no assurance that IP's efforts will be successful.

Margin Risk: Certain option strategies require the use of a margin account to establish required positions. The use of margin carries risks that clients should understand. In volatile markets, security prices can fall very quickly. If the net value of a client's account (less the amount the client owes to the broker) falls below a certain level, the broker will issue a "margin call" and the client will be required to sell the security (and other positions) or add more cash to the account. You could lose more money than you originally invested. Additionally, the client must pay interest on the margin balance owed to the broker until it is repaid in full. The amount of margin interest will diminish the client's profits and, in some cases, could cause net losses in the client's account.

Market Risk: The client's investment in securities may increase or decrease. The client's investment at any point in time may be worth less than the original investment.

Market Volatility Risk: The prices of securities may be volatile. Price movements of securities in which Advisor invests are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Option Risk: Changes in the market price or other economic attributes of the underlying investment, changes in the realized or perceived volatility of the relevant market and underlying investment and time remaining before an option's expiration affect the market price of options.

If the market for the options becomes less liquid or smaller the market price of the options may be adversely affected. IP may close out a written option position by buying the option instead of letting it expire or be exercised. IP may close out of long options by selling instead of letting it expire or be exercised. There can be no assurance that a liquid market will exist when IP seeks to close out an option position by buying or selling the option.

When IP writes (sells) an option, it faces the risk that it will experience a loss if the option purchaser exercises the option sold by IP. Writing options can cause the client's account to be highly volatile, and it may be subject to sudden and substantial losses.

IP's options positions will be marked to market on each day that the exchanges are open. IP's options transactions will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which such options are traded. These limitations govern the maximum number of options in each class that may be written or purchased by a single investor or group of investors acting in concert, regardless of whether the options are written or purchased on the same or different exchanges, boards of trade or other trading facilities or are held or written in one or more accounts or through one or more brokers.

The decision on when and how to use options involves the exercise of skill and judgement. Market behavior or unexpected events can adversely affect a well-executed options program. Anticipation of future movements in securities prices or other economic factors of the underlying investments impact the success of an option strategy. No assurances on the Adviser's judgement being correct can be given.

Preferred Security Risk: Preferred securities generally are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. In addition, preferred securities are subject to other risks, such as having no or limited voting rights, being subject to special redemption rights, having distributions deferred or skipped, having floating interest rates or dividends, which may result in a decline in value in a falling interest rate environment, having limited liquidity, changing or unfavorable tax treatments and possibly being issued by companies in heavily regulated industries. Preferred securities that do not have a maturity date are considered to be perpetual investments.

Small/Mid Cap Risk: Stocks of small or mid cap companies may have less liquidity than those of larger established companies and may be subject to greater price volatility and risk than the overall stock market.

Trading Risk: IP may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

The above list of risk factors does not purport to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult portfolio consultant, legal counsel and tax professional on an initial and continual basis in connection with selecting and engaging in the services IP provides to you. Clients that invest in the IPDP, IPPP, UCITS or Private Fund should carefully read the relevant prospectus or offering memorandum for specific information applicable to that particular vehicle.

Item 9 Disciplinary Information

IP has been registered and providing investment advisory services since 2015. Neither our firm nor any of our management persons have any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Affiliation with other Registered Investment Advisors

Our firm is affiliated, under common control and ownership by Sheaff Brock Capital Management, LLC ("SBCM"); with three other registered investment advisers: Sheaff Brock Investment Advisors, LLC ("SB"), Salzinger Sheaff Brock, LLC ("SSB") and Trust Advisors, LLC ("TA"). IP acts as subadvisor to SB offering MPM to the sub-advised accounts. In addition, certain members of our firm may be separately licensed as an investment adviser representative with either SB, SSB, TA and/or IP. The Chief Financial Officer and the Chief Compliance Officer of the Advisor serve in the same positions for SB, SSB and TA. The Chief Investment Officer of the Advisor serves in the same position for SB and TA. The advisory services delivered by these affiliated registered investment advisers and the compensation for such services are separate and apart from those provided by our firm. If appropriate our affiliates' advisory services may be recommended to our clients. While there are no referral fee arrangements between our firm and our affiliates, there is a subadvisor fee paid by SB, for Subadvisor Services, to IP. There is shared ownership and profits interest between the affiliated companies. A conflict of interest is created by these arrangements in that our firm and management personnel may have a financial incentive to recommend the services of our affiliates. In efforts to mitigate such conflicts of interest, it is our firm's strict policy to act in our client's best interest. Our clients are under no obligation to use the services of our affiliates, and clients may accept or reject any of our recommendations. Clients choosing to implement SB, TA or SSB's recommendations through one of our affiliates should refer to that Registered Investment Advisor's Firm Brochure or other disclosure documents for details regarding that firm's services and fees.

Affiliation with Broker-Dealers

Foreside Fund Services ("Foreside"), an unaffiliated broker-dealer, is the principal underwriter and distributor for IPDP and IPPP shares. IP has a marketing activities agreement with Foreside. Certain IP employees are registered representatives of Foreside for the purpose of conducting marketing activities for IPDP, IPPP and the Private Fund. As a registered representative, he or she sells IPDP, IPPP and the Private Fund. The registered representative can be compensated by Foreside for the sale of the IPDP, IPPP and the Private Fund in the form of usual and ordinary commissions. These relationships create a potential conflict of interest in that the investment advisor representative is

advising IP, SB and SSB clients as an investment advisor representative and may be compensated for marketing IPDP, IPPP and the Private Fund as a registered representative.

Client Service/Marketing Agreement

IP is party to a client service/marketing agreement with an unaffiliated firm to introduce the Innovative Portfolios Preferred Income Fund to prospective non-U.S. institutional clients in various foreign jurisdictions. IP pays the firm for these services. The unaffiliated firm is not a broker/dealer, investment advisor or any of the other financial institutions in Item 7.A. of Form ADV Part 1A. Depending on the foreign jurisdiction, they may be registered or exempt from registration, as appropriate, with the relevant foreign financial regulatory authorities.

Affiliation with Private Fund

As described in Item 5, IP is the investment advisor to the Private Fund, for which a wholly owned subsidiary of SBCM serves as general partner and IP serves as investment advisor. IP receives fees for managing the funds, as set for in the fund's offering document.

Affiliation with Mutual Fund

As stated above, IP is affiliated with SBCM, which is a minority owner of SBauer Funds, LLC ("SBAF"). SBAF is the investment adviser to a mutual fund, Auer Growth Fund, an investment company registered under the Investment Company Act of 1940. As partial owner, SBCM receives a portion of the management fee of the Auer Growth Fund. The Chief Financial Officer and the Chief Compliance Officer of the Advisor serve in the same positions for SBAF. For additional information, the Fund Prospectus and Statement of Additional Information are available on-line at: www.sbauerfunds.com. Prospective investors should review these documents carefully before making any investment in the mutual fund.

Clients should consider these potential conflicts of interest carefully when deciding whether to participate in these programs. Advisor has adopted the following steps to address these potential conflicts:

- we disclose the existence of these conflicts in this Brochure and we endeavor to act consistent with our fiduciary duty;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we request clients to provide the Suitability Information for the account that will be managed by us, and we require that we have a reasonable basis for the investment decisions we make with respect to accounts;
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable basis for the investment advice provided to clients.

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

A. Code of Ethics

IP has adopted a Code of Ethics expressing its commitment to ethical conduct. The Code of Ethics describes IP's fiduciary responsibilities to its clients, and its procedures in supervising the personal securities transactions of its supervised persons who have access to information regarding client recommendations or transactions ("access persons").

A copy of the Code of Ethics is available to clients and prospective clients. You may request the Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

IP owes a duty of loyalty, fairness, and good faith towards clients and an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

The Code of Ethics includes policies and procedures for the review of access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by access persons. Among other things, the Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions.

The Code of Ethics prohibits the misuse of material non-public information. While we do not believe that we have any particular access to material non-public information regarding publicly traded companies that would be subject to misuse, all employees are reminded that any such information may not be used in a personal or professional capacity.

IP and its officers, and employees may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships or other businesses, subject to compliance with the Code of Ethics. In doing so, IP or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Neither IP nor any employee has any obligation to purchase or sell, or to recommend for purchase or sale, any security which IP or any principal, officer, or employee purchases or sells for his own account or for the accounts of other clients, unless such conduct is a fiduciary obligation.

B. Recommendations Involving Our Financial Interests

IP is required to disclose in Item 11 if it recommends that clients invest in securities in which we or a related person has a material financial interest. This includes acting as an investment adviser to an investment company that IP recommends to clients.

As disclosed in Item 10, IP can recommend an affiliated investment advisor. IP can recommend Auer Growth Fund, IPDP or IPPP to IP sub-advised accounts. Refer to the discussion in Item 10 for how we address the potential conflicts that arise from such recommendations.

C. Investments in Securities Recommended to Clients

Individuals associated with IP may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the policy of IP that no person employed by it shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of clients. Subject to the Code of Ethics, IP and its employees are permitted to trade for their own accounts side-by-side and in block transactions with IP's clients in the same securities, and at the same time. We have adopted the procedures described in Item 11.D to address the actual and potential conflicts of interest raised by our policies.

D. Investments around Time of Client Transactions

Subject to the procedures in this section 11.D, IP and its employees are permitted to trade for their own accounts side-by-side with clients in the same securities at or around the same time as clients on the same trading day, and are permitted to aggregate trades for their proprietary accounts with trades for client accounts. IP and its employees may buy or sell securities for their personal accounts identical to the securities recommended to clients. We have adopted the procedures described below to address the potential conflicts of interest arising from our policies described in

Items 11.C and 11.D:

- employees may not purchase or sell securities (other than mutual funds or other securities that are not treated as "reportable securities") immediately prior to client transactions, in order to prevent employees from benefitting from transactions placed on behalf of advisory accounts;
- no director, officer, or employee shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry;
- no director, officer, or employee shall knowingly prefer his or her own interest to that of an advisory client;
- IP maintains records of securities held by it and its access persons;
- IP emphasizes the unrestricted right of the client to decline to implement any advice IP has rendered;
- IP requires all employees to act in accordance with all applicable Federal and State laws and regulations governing registered investment advisory practices; **and**
- any employee not in observance of the above may be subject to discipline, including termination.

Item 12 Brokerage Practices

Best Execution – Selection Factors for Broker/Dealers

IP's overriding objective in selecting broker-dealers to effect transactions in securities and derivatives for clients is to seek the best net result in terms of cost or proceeds that can be reasonably obtained for a transaction under current circumstances surrounding the trade. Cost includes the "all in" costs of the trade or proceeds, not necessarily the lowest commission rate, nor the most expeditious execution. The best net price, giving effect to brokerage commission, if any, is an important factor in this decision; however, in selecting brokers and dealers for any transaction, a number of judgemental factors also may enter the decision. These factors may include one or more of the following:

- Knowledge of negotiated commission rates currently available and other transactions;
- Nature of security being purchased or sold;
- Size of transaction;
- Desired timing of transaction;
- Activity existing and expected in the market for the particular security;
- Local market compliance or restrictions;
- Legal agreements and operational systems considered necessary or desirable to use a broker or dealer, or counter party, are in place.

IP may also execute client transactions with brokers and dealer that have customized technology to facilitate the trading process. This gives IP an incentive to execute through such brokers and dealers in order to realize operational efficiencies.

Orders to buy or sell institutional preferred securities are typically placed on a competitive basis when available with a reasonable attempt to obtain multiple competitive bids or offers from dealers consistent with our needs in terms of speed, availability, and reliability. Generally, there is no stated commission in institutional preferred securities which are traded in the over-the-counter markets. The price paid by the client often includes an undisclosed dealer mark-up.

IP may also make use of direct market access, program or electronic trading methods. IP extensively uses electronic trading systems as such systems can provide the ability to customize the orders placed and can assist in IP's execution strategies.

IP's Trading and Best Execution Committee typically meets quarterly to review components of IP's trading to help ensure the firm continues to meet its duty to seek best execution. Generally, the committee reviews commission rates paid to broker/dealers for executing orders, any trade errors, and other considerations relevant for the given period, such as the approval of new broker/dealers or applicable regulation changes that could impact trading.

Prime Brokerage Arrangements

IP can recommend that clients enter into a prime brokerage arrangement with their Custodian. This arrangement allows us to place a trade for a client's account with a different broker for execution and then the securities bought or the funds from the securities sold are deposited (settled) into the client's Custodian account. IP mainly does this when trading preferred and fixed income securities, and only when we believe it will result in best execution (a trade-away). Under these arrangements, Custodian usually charges a flat dollar amount for its services as custodian and "prime broker". These fees are in addition to the commissions or other compensation a client will pay the executing broker-dealer.

Brokerage services can include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Brokers include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment, and access to mutual funds with no transaction fees and to certain institutional money managers which may result in lower client expenses. These services generally benefit clients and their accounts.

SOFT DOLLAR and Other Research Services

IP does not use client brokerage commissions to generate credits to purchase brokerage or research services. Certain broker-dealers with whom IP executes trades in pursuit of best execution may share unsolicited proprietary research, but IP does not take such research into account when selecting broker-dealers to execute transactions. The research generally benefits IP's investment process on behalf of all client's accounts within the investment strategies where the research is being used, including accounts other than those that paid commissions to the broker/dealers on a particular transaction. In some instances, other client accounts may also benefit from this research.

IP receives certain brokerage services from executing broker-dealers related to the execution of trades for client accounts. This can include, for example, electronic communication services that provide connectivity between IP and broker-dealers, including routing and transmission; post-trade matching, confirmation and settlement; and other trading systems. IP directs client transactions to broker-dealers that provide brokerage services in pursuit of best execution. Brokerage services may be used by IP for the benefit of clients other than the client(s) that paid commissions to the broker providing such products or services.

DIRECTED BROKERAGE ARRANGEMENTS

IP may, in its sole discretion, agree to accept an SMA client's direction to use a broker-dealer to purchase the recommended investments. In such cases, IP will direct the client's transactions through the designated broker-dealer. The client's custodian may charge additional fees to execute and settle these transactions at another broker or custodian.

When an SMA client directs the use of a particular broker-dealer, orders for these accounts will not be placed until after orders are placed for accounts that have not directed the use of a particular broker. Also, IP will not have discretion to place trade orders with other brokers. Consequently, as a result of directing brokerage, the client will not receive the benefit of reduced transaction costs or better prices that may result if IP had discretion to negotiate the terms of the orders, such as commissions, volume discounts, or seek price improvement from other broker-dealers. The client may incur higher

transaction costs, delays in execution, and less favorable prices than the transactions effected for accounts that do not direct brokerage.

This practice may cost the SMA client more money than if IP had discretion to select the broker-dealer. A disparity may arise such that clients who direct brokerage may pay higher overall transaction costs and receive less favorable prices than clients who do not direct brokerage.

BLOCK TRADES

When IP intends to buy or sell the same security in two or more accounts it may, but is not obligated to, aggregate those transactions in one or more block trades. IP has discretion to wait to place orders if it is aware of potential additional trades for the same security that may be pending or it may decide to execute trades immediately. Decisions around the timing and aggregation of trades are made with the goal to seek best execution and to effectively manage IP's order flow across numerous types of strategies and accounts. Accounts of our supervised persons (employees) may participate in block orders on the same basis as clients.

Whenever practicable, IP will allocate trades on a pro-rata basis. Pro-rata allocation means that shares are allocated to each account based on its size relative to the size of all other accounts included in the order until the order is complete. Reasons for not aggregating orders include: aggregation is not appropriate because of market conditions affecting the security to be purchased or sold; orders are placed for the same security according to different parameters (e.g., different prices), so that aggregation of orders may not be feasible or desirable; differences in an account's investment needs, cash positions, or investment objectives, policies or restrictions; the custodian for an account imposes additional costs, expenses or operational difficulties, in connection with executing orders through broker-dealers other than an affiliate of the custodian; a client has designated a particular broker to be used, in which case the order may be separately executed; or market rules do not allow aggregation.

Typically, partial fills will be allocated among accounts in proportion to the total orders participating in the block, unless we determine that another method of allocation is equitable (such as an alphabetical rotation or other method). Exceptions may be granted or allowed which include, but are not limited to, cash availability, round lots, size of the account, divergent investment objectives, existing concentrations, tax considerations, performance relative to a benchmark, performance relative to other accounts in the same portfolio, or a desire to avoid "odd lots" (an amount of a security that is less than the normal unit of trading for that security).

IP generally completes orders for its discretionary accounts, including discretionary accounts with directed brokerage and Model Portfolio Management Service, prior to providing model updates to non-discretionary model programs. Non-discretionary model programs consist of Model Marketplace Services, where the program sponsors retain trading authority and investment discretion. When providing model updates to non-discretionary model programs, IP generally provides the model updates to the sponsors of these programs at or about the same time, generally after discretionary trading is completed; however, this timing may vary depending on program-specific requirements or limitations, operational limitations relating to the program or its service providers, or other considerations.

For discretionary accounts, IP can employ an alternate trade rotation process where one group of accounts has a transaction effected before or after another group of accounts. Additionally, IP can employ an alternate trade rotation process where IP has a transaction effected before or after an affiliated advisor. Our alternate rotation practice could at times result in a trade being affected for your account within the rotation. In this event, your trade orders will bear the market price impact, if any, of those trades executed earlier or later in the rotation, and, as a result, you could receive a less

favorable net price for the trade. However, our alternate trade rotation procedures are generally designed to treat clients equitably and fairly over time. Depending on the security being traded, market liquidity, and trading discretion on the platform, the trades could go simultaneously or in a rotation, or at the end of the rotation.

TRADE ERRORS

IP has established error correction procedures which provide that the resolution of all errors be made consistent with IP's fiduciary duties. IP's general policy is to resolve all errors impacting client accounts so that, to the extent possible, affected accounts are restored to the condition they would have been in had the error not occurred.

It is IP's policy for client accounts to be made whole following a trade error. If a trade error results in a loss, IP will make the client account whole and absorb the loss. If a trade error results in a gain, the custodian may donate the money to charity. The Custodians may have a policy where an adviser is not required to reimburse trade errors resulting in a loss below a de minimis amount (e.g., \$100). In such circumstances, the Custodian will absorb the loss and there is no financial impact to the client account. Likewise, if a trade error results in a gain less than a de minimis amount (e.g., \$100), the Custodians will keep the gain or donate it to charity. In all other circumstances, trade errors will be corrected as described above.

Item 13 Review of Accounts

IP reviews client account on a periodic basis. Reviews of an account occur at differing frequencies and differing purposes depending on the type of account. Reviewers can include members of the portfolio management team, Investment Committee, Operations, and/or compliance department.

IP reviews and monitors holdings in accordance with the investment objectives as detailed in the IPDP and IPPP's prospectus. Clients should refer to the funds' prospectus for information regarding regular reports to the funds by IP.

For accounts participating in the MPM Services, IP continuously monitors the securities in the accounts. IP's Investment Committee typically performs weekly reviews of Model Portfolio holdings for consistency with the target allocations, investment objective, and other characteristics of the Model Portfolio.

Item 14 Client Referrals and Other Compensation

REFERRAL ARRANGEMENTS WITH THIRD PARTIES

The Advisor may seek to enter into agreements with unaffiliated individuals and organizations for the referral of clients to us. All such agreements will be in writing and comply with the applicable state and federal regulations. The promoter must maintain or will obtain any SEC and/or state registrations that may be appropriate or required in connection with the referral services provided or has been advised by counsel that it is exempt or excluded from registration.

If a client is introduced to the Advisor by a promoter, the Advisor will pay that promoter a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon the Advisor's engagement of new clients and the retention of those clients and would be calculated using a varying percentage of the fees paid to the Advisor by such clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from the Advisor's fees and shall not result in any additional charge to the client.

Prospective client who is referred to the Advisor by a promoter who is not affiliated with the Advisor will receive a written disclosure document disclosing the compensation that will be paid by us to the third party, and a description of any material conflicts of interest on the part of the promoter in light of the Advisor's relationship with the promoter.

IP has an agreement with a third-party promoter where IP pays a fee for the promoter to solicit prospective clients for IP. The arrangement is governed by a written agreement that describe the promoter's responsibilities to IP and the required disclosure the promoter must provide to prospective clients describing the compensation received from IP. Typically, this compensation is assessed as a portion of the advisory fee pay to IP by any client retained by IP through the promoter. The investment management fee charges to these clients are not any higher as a result of IP's agreement with the promoter.

Affiliation with Broker-Dealer

IP has entered a marketing activities agreement with Foreside, an unaffiliated broker-dealer. IP has retained Foreside to provide marketing and sales services for the IPDP, IPPP and the Private Fund.

Certain investment adviser representatives of IP are also investment advisor representatives of SB and SSB, and registered representatives of Foreside. As a registered representative, he or she sells the IPDP, IPPP and the Private Fund. The registered representative may be compensated by Foreside for the sale of IPDP, IPPP and the Private Fund in the form of usual and ordinary commissions. These relationships create a potential conflict of interest in that investment advisor representative is advising IP, SB and SSB clients as an investment advisor representative and can be compensated for selling IPDP, IPPP and the Private Fund as a registered representative.

Item 15 Custody

Each separate account client should receive at least quarterly statements from broker-dealer, or other qualified custodian that holds and maintains the client's investment assets.

For ETF Fund Advisory Services, the unified management fees are directly debited to the account through the Funds' servicing agent. For Subadvisor Services, IP does not directly deduct advisory fees from accounts.

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds and securities at least quarterly. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact us immediately at the phone number listed on the cover of this disclosure brochure.

Item 16 Investment Discretion

IP has discretionary authority to make the following determinations without obtaining client consent before transactions are effected:

- the securities that are to be bought or sold;
- the total amount of the securities to be bought or sold;
- the brokers through which securities are to be bought or sold; and

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such

limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

IPDP, IPPP and Innovative Portfolios Preferred Income Fund

IP will vote proxies for the funds. We will vote proxies in the best interests of the client and in accordance with our established policies and procedures. We will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If IP has a conflict of interest in voting a particular action, we will notify the funds' servicing agent of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting our main office at the telephone number on the cover page of this brochure. The funds may request, in writing, information on how proxies for his/her shares were voted. If the funds request a copy of our complete proxy policies and procedures or how we voted proxies, we will promptly provide such information.

Separately Managed Client Accounts

Advisor requires all clients to retain responsibility for voting account securities. Advisor will not vote proxies, exercise rights, make elections, or take other such actions with respect to securities held for accounts. Clients are responsible for instructing each custodian of the assets, to forward to the client all proxy solicitations or similar matters relating to the client's investment accounts. Clients may obtain proxy materials by written request to the account's custodian. Advisor does not provide advice about the issues raised by proxy solicitations or other requests for corporate actions.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance of services rendered. Therefore, based on the aforementioned we are not required to include a financial statement with this brochure.

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

Item 19 Requirements for State-Registered Advisers

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

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties,

except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys. We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy. If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures. If you have questions about our privacy policies, please contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.