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**February 22, 2023**

**FORM ADV PART 2A APPENDIX 1 – WRAP FEE PROGRAM  
BROCHURE**

This brochure provides information about the qualifications and business practices of Trilogy Capital, Inc. ("Trilogy") If you have any questions about the contents of this brochure, please contact us at (714) 843-9977. 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. Trilogy 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.

Additional information about Trilogy Capital, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for Trilogy Capital, Inc. is 281597.

## ITEM 2 – MATERIAL CHANGES

### Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following is a list of changes since our last ADV Annual Amendment filing dated March 25, 2022:

- Amended Item 10 to reflect some of Trilogy Capital’s Advisor Representatives are dually registered as Investment Advisor Representatives of LPL Financials’ RIA. Additional other affiliation descriptions were added.
- As of November 2022, the Firm’s main office location is 2601 Main Street Suite 100 Irvine, CA 92614.
- Item 8 has been updated for additional Risk of Loss language.
- Trilogy Capital entered into an Agreement with LPL Financial for receipt of Transition Assistance. Refer to Item 12 for more detail regarding this arrangement and disclosure of conflict.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer June Adams at (714) 843-9977 x1191 or [june.adams@trilogyfs.com](mailto:june.adams@trilogyfs.com). We encourage you to read this document in its entirety.

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## ITEM 4 – SERVICES, FEES & COMPENSATION

We offer a wrap fee program as described in this Wrap Fee Program Brochure. A wrap fee program is generally considered any arrangement under which clients receive investment advisory services and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. All our investment management clients will be offered the wrap fee program structure that includes, as a single fee, the securities transaction costs for trading in Client accounts along with the investment advisory fees earned by our firm. Our firm receives a portion of the wrap fee for the services rendered. While traditional Wrap Fee Programs are often rigid, pre-packaged investment programs, our firm customizes its investment strategies individually for its clients. Prior to receiving services through the Program, clients are required to enter into a written agreement with our firm setting forth the relevant terms and conditions of the investment advisory relationship (the “Agreement”).

### OUR WRAP ADVISORY SERVICES

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. The discretionary investment management services include investment analysis, allocation of investments, quarterly portfolio statements, financial commentaries, and ongoing monitoring of client portfolios.

We determine your portfolio composition based on your needs, your portfolio restrictions, if any, your financial goals and your risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. We may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. For discretionary accounts, we will trade these portfolios and rebalance them on a discretionary basis based on our market views and on your investment objectives, using our investment philosophy and process as outlined in Item 8 in this Brochure. We tailor our advisory services to meet the needs of our clients and seek to ensure that client portfolios are managed in a manner consistent with those financial needs and investment objectives.

We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate authorization by you on our Discretionary Investment Management Agreement and the Custodian paperwork.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

There may be times a non-discretionary account relationship exists with our firm. In these circumstances, the client may call in to facilitate a trade on their account. Our Advisors will assist in facilitating the transaction on behalf of the client, but we do not have continuous or supervisory oversight on such accounts and do not bill advisory fees for such relationships. The custodian charges additional

fees such as transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions.

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## **RELATIVE COST OF THE PROGRAM**

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee, however, most investments trade without transaction fees today, so our payment of these and other incidental custodial related expenses should not be considered a significant factor in determining the relative value of our wrap program. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the Custodian.

Although clients do not pay a transaction charge for transactions, clients should be aware that Trilogy pays LPL transaction charges for those transactions. The transaction charges paid by Trilogy vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by Trilogy for equities and ETFs are \$9. For mutual funds, the transaction charges range from \$0 to \$26.50. Because Trilogy pays the transaction charges in SWM II accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to Trilogy of transaction charges may be a factor that Trilogy considers when deciding which securities to select and how frequently to place transactions in a SWM II account.

In many instances, LPL makes available mutual funds in a SWM II account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as “Class I,” “institutional,” “investor,” “retail,” “service,” “administrative” or “platform” share classes (“Platform Shares”). The Platform Share class offered for a particular mutual fund in SWM II in many cases will not be the least expensive share class that the mutual fund makes available and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Client should understand that another financial services firm may offer the same mutual fund at a lower overall cost to the investor than is available through SWM II. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund may be available that offers Platform Shares. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses (“brokerage-related services”) to the mutual funds. Platform Shares generally are not subject to 12b-1 fees. As a result of the different expenses of the mutual fund share classes, it is generally more expensive for a client to own Class A Shares than Platform Shares. An investor in Platform Shares will pay lower fees over time, and keep more of his or her investment returns than an investor who holds Class A Shares of the same fund.

Trilogy has a financial incentive to recommend Class A Shares in cases where both Class A and Platform Shares are available. This is a conflict of interest which might incline Trilogy, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, Trilogy pays LPL a per transaction charge for mutual fund purchases and sales in the account. Trilogy generally does not pay transaction charges for Class A Share mutual fund transactions accounts, but generally does pay transaction charges for Platform Share mutual fund transactions. The cost to Trilogy of transaction charges generally may be a factor Trilogy considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to Trilogy for Class A Share purchases and sales, together with the fact that Platform Shares generally are less expensive for a client to own, presents a significant conflict of interest between Trilogy and the client. In short, it costs Trilogy less to recommend and select Class A

share mutual funds than Platform shares, but Platform shares will generally outperform Class A mutual fund shares on the basis of internal cost structure alone. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with Trilogy the advisory fee for management of an account.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly, in advance based on the value of the Portfolio end of a three-month billing cycle. Fees are assessed on all assets under management, including securities, cash and money market balances. Additional deposits and withdrawals will be added or subtracted from the assets in a prorated basis to adjust the account fee.

Our maximum annual advisory fee is for accounts paying a percentage of assets under management is 1.25%. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, our Firm will allow advisory fees to be paid by check as indicated in the Investment Advisory Agreement. You are encouraged to review your account statements for accuracy.

Either Trilogy or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the billing period in which the cancellation notice was given and refunded to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Trilogy will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

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## **OTHER TYPES OF FEES & EXPENSES**

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

In addition, some mutual fund and/or ETF assets deposited in the account may have been subject to deferred sales charges and 12 (b) (1) fees and other annual expenses. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. You should

also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

Neither Trilogy, nor any representatives of Trilogy receive any additional compensation for the participation of clients in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and to other services. Therefore, Trilogy may have a financial incentive to recommend the wrap fee program to clients.

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## **ADMINISTRATIVE SERVICES**

Our Firm utilizes a third party and technology platform to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third-party vendor will have access to client information, but will not serve as an investment advisor to our clients. Trilogy and this third party are non-affiliated companies. This third party charges our Firm an annual fee for each account administered by the third party. The annual fee is paid from the portion of the management fee retained by us.

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## **TRANSITION ASSISTANCE**

Certain investment adviser representatives of our Firm are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Trilogy Capital. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from Trilogy Capital you will not receive the benefit of the advice and other services we provide.

## **ITEM 5 – ACCOUNT REQUIREMENTS & TYPES OF CLIENTS**

Our Firm works with the following types of clients: individuals, high-net-worth individuals, families, small businesses, pensions, foundations, trusts and estates.

Our minimum initial account value is \$5,500; however, we may accept accounts for less than the minimum.

## **ITEM 6 – PORTFOLIO MANAGER SELECTION & EVALUATION**

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### **PORTFOLIO MANAGER SELECTION**

Our Firm serves as the sponsor and portfolio manager for our Wrap Fee Program.

The fee covers transaction costs or commissions resulting from the management of your accounts, however, most investments trade without transaction fees today, so our payment of these and other incidental custodial related expenses should not be considered a significant factor in determining the relative value of our wrap program.

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### **RELATED PERSONS**

Our Firm's investment adviser representatives serve as the portfolio manager for the services under this Wrap Fee Program. We only manage this wrap fee program and we do not act as portfolio manager for any third-party wrap fee programs.



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## **SUPERVISED PERSONS**

Our investment adviser representatives serve as the portfolio manager for the Wrap Fee Program described in this Wrap Fee Program Brochure. Please refer to the Items 4 and 8 of the Part 2A Disclosure Brochure for details on the services provided by our Firm. For information related to the background of our supervised persons, please see Items 9 and 11 of the Part 2A Disclosure Brochure.

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## **ADVISORY BUSINESS**

Refer to Item 4 of this Wrap Fee Brochure for information about our wrap fee advisory program.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

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## **PARTICIPATION IN WRAP FEE PROGRAMS**

We offer wrap fee accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

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## **PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees), nor engage side by side management.

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## **METHODS OF ANALYSIS**

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client's investment objective. We do this by analyzing the various securities, investment strategies, and third-party management firms. The goal is to identify a client's risk tolerance, and then find a manager with the maximum expected return for that level of risk.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We utilize both fundamental and technical analysis. We gather our information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the client's investment strategy that is chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.



## Investment Philosophy

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and general asset allocation target. While we believe asset allocation is a key factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital. To that end, we select from a narrow, refined list of institutional fund managers known for excellence in their respective disciplines. We focus primarily on the people, processes, research, consistency, and culture rather than simply recent “high performance” or “track record”.

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.

## Portfolios

Trilogy Capital offers strategic portfolios designed to be risk based. The portfolios all have different levels of risk/return trade-off (potential return that can be gained with the amount of risk taken). The risk/return trade-off is based upon the client’s risk tolerance, financial planning needs and/or financial goals. Each of these investment strategies are globally diversified to help reduce specific company, sector, or asset class risk. These core strategies are evaluated on long term performance. This means our Firm is evaluating how portfolios do over three-, five- and ten-year periods as opposed to shorter timeframes. Below are the Portfolio series offered:

- ✓ **Core Portfolio Series:** A family of investments strategies focused on globally – balanced portfolios which are intended to give broad market exposure not focused on any one sector or geographic region, providing index-like returns with lower risk over full market cycles.
- ✓ **Select Portfolio Series:** A family of investment strategies focused on actively managed portfolios of sector or strategy focused securities. These strategies seek to provide investors with non-correlated returns to the Core series as well as potential alpha as compared to standard benchmark. Additional risk factors are noted below for certain portfolios and potential investors need to meet certain criteria to invest in the some of the non-traditional investment portfolios.
- ✓ **Foundation Portfolio Series:** A family of investment strategies focused on portfolios for smaller accounts. These strategies are designed for investors who cannot meet the minimums for the Core series and would still like access to globally-invested, actively – rebalanced strategy.
- ✓ **Continuity Portfolio Series:** An asset management arrangement by which we oversee long-term held assets such as individual bonds and other income-producing strategies. These portfolios will often require less active management due to the buy-and-hold strategy.

While non-traditional investments may offer potential benefits when used in conjunction with traditional stock and bond portfolios there are additional risks to consider. For example, some non-traditional strategies will utilize ETFs with exposure to commodities and the use of leverage to meet their portfolio objectives. As with any investment, it is very important to read prospectus information and work with your advisor to educate yourself on the potential risks and rewards of the strategies that may be considered for inclusion for your portfolio.

### **Sub-Advisor, Independent Third-Party Manager & Investment Subscription Services**

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the Client's investment objective. We do this by analyzing the various securities, investment strategies, and third-party management firms. The goal is to identify a Client's risk tolerance, and then find a manager with the maximum expected return for that level of risk.

We examine the experience, expertise, investment philosophies and past performance of independent, third-party managers in an attempt to determine if that Manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the Managers' underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the Managers' compliance and business enterprise risks.

A risk of investing with a third-party Manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a managers' portfolio, there is also a risk that the Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the Managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

***Our Firm does engage the services of unaffiliated and independent registered investment advisor(s) ("Signal Providers") to receive buy and sell signals, research, or other information that the Firm uses to manage a particular strategy/portfolio. Such Signal Providers will not act as fiduciaries with respect to any client as they are engaged to provide market-related services to our Firm. In providing individualized investment advice, our Firm will invest a client's assets in accordance with the recommendations of one or more Signal Providers or may invest the account in any manner it deems appropriate based on the client's personal objectives. All fees incurred by the subscription to various Signal Providers are paid by Trilogy (as a percentage of the fees generated within a particular strategy). Thus, a portion of the advisory fee paid by a client to Trilogy may be used to compensate such third-party providers or consultants.***

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current, and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Investors should be aware that accounts are subject to the following risks:

**Market Risk** - Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** - Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** - Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** - In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

**Credit Risk** - Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** - Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Exchange-Traded Funds** - ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** - We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Liquidity Risk** - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

**Derivative Risk** - Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

**Bond Mutual Funds and Laddered Individual Bonds** - A laddered individual bond portfolio is comprised of individual bonds where each bond or series of bonds features strategically staggered maturity dates at regular intervals. As each bond or series of bonds matures, proceeds are used to purchase new bonds to continue the bond ladder, or they are used as income. Both laddered individual bonds held in a laddered bond portfolio and bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher returns. Unlike money market funds, the SEC's rules do not restrict bond funds and laddered individual bonds to high quality or short-term investments. Because there are many different types of bonds, bond funds and laddered individual bonds, they can vary dramatically in their risks and rewards. Some of the risks associated with bond funds and laddered individual bonds include:

**Interest Rate Risk** - Interest rate risk refers to the risk that the market value of bonds will go down when interest rates go up. Because of this risk, investors can lose money in any bond fund or laddered individual bond portfolio, if a bond were sold before its maturity date. Interest

rate risk applies to investments in insured bonds and U.S. Treasury Bonds. Longer-term bonds and bond funds tend to have higher interest rate risks.

**Credit Risk** - Credit risk refers to the risk that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects individual bond ladders, mutual funds, and exchange-traded funds (ETFs) that hold these bonds. Credit risk is less of a factor in investments including insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

**Prepayment Risk** - Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to “retire” its debt and issue new bonds that pay a lower rate. When this happens, proceeds from the sale of individual bonds or a bond fund may not be able to be reinvested in an investment with as high a return or yield.

**Cybersecurity Risk** - In addition to the Material Investment Risks listed above, investing involves various operational and “cybersecurity” risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, which may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm’s ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients’ information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including those certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

**Responsible Investing and ESG Risk** - Clients utilizing responsible investing strategies and environment, social responsibility, and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. This strategy may exclude certain sectors or industries from a client’s portfolio, potentially negatively affecting the client’s investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature, and our Firm may rely on analysis and ‘scores’ provided by third parties in determining whether an issuer meets our Firm’s standards for inclusion or exclusion. A client’s perception may differ from our Firm or a third parties on how to judge an issuers adherence to responsible investing principles.

**Commodities Risk** – Our Firm’s use of commodities in a client’s portfolio would be limited to ETF’s and only investments approved on our recommended Custodian’s platform. Investments in commodity-linked investments, including commodity derivatives, may subject the Account to greater volatility than investments in traditional securities. To the extent a strategy concentrates assets in a particular sector of the commodities market (such as oil, metal, Bitcoin, environmental or agricultural products), it may be more susceptible to risks associated with those sectors. The prices for commodities in those sectors may fluctuate widely due to factors such as supply and demand disruptions in major producing or consuming regions, and

governmental regulatory policies. Further, ability to invest in certain commodity interests may be limited due to applicable regulations pertaining to position limits.

**Interval funds:** An interval fund is a type of closed-end fund. Unlike other closed end shares they do not trade on the secondary market. Instead, the fund periodically offers to buy back a percentage of outstanding shares at net asset value.

The rules for interval funds, along with the types of assets held, make this investment largely illiquid compared with other funds. High yields are the main reason investors are attracted to interval funds. There may not be a guarantee that the fund will offer to buy back the shares.

**Use of leveraged mutual funds and/or ETFs.** Leveraged mutual funds or ETFs are utilized for certain clients where the use of such leveraged products is suitable pursuant to each client's investment profile. The leveraged funds are a component part of many other investment holdings to enable proper diversification of a client's portfolio. The funds are utilized when the equity market is experiencing a definable bullish, upward trend. We will reduce or eliminate the leveraged exposure when our proprietary tactical asset allocation model indicates that a bear market is imminent. There are risks associated with investing in these leveraged products. When using a leveraged product, you are taking on additional risk in order to make more profit. While returns can increase in multiples for products that use leverage or borrowed dollars, there is also a risk that this leverage creates magnified capital losses. Leverage products carry high internal expense ratios. When held for longer than a few days, this cost can significantly affect returns. For example, investing in a 2X leveraged fund held for multiple days should not expect returns of 30% if the index it tracks increases by 15%. These internal expenses can decrease a fund's return when the fund earns a lesser return on the investment than the cost of the leverage.

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## VOTING CLIENT SECURITIES

We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not act with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular proxy solicitation by phone at (714) 843-9977.

## ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER(S)

Our Firm is required to describe the type and frequency of the information it communicates to external managers that may be involved in managing its clients' investment portfolios. Trilogy serves as the sole portfolio manager under this Wrap Fee Program and, as such, we have no information to disclose regarding this Item.

## ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGER(S)

Our Firm does not place restrictions on the client's ability to contact and consult their financial advisor. As the portfolio manager, clients are free to contact us at any time.

## ITEM 9 – ADDITIONAL INFORMATION

All the information disclosed in Item 9 is for Wrap Fee Clients.

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## **DISCIPLINARY INFORMATION**

We do not have any legal, financial or other “disciplinary” item to report. No management persons listed on Schedule A/B of the ADV Part 1 have been subject to any criminal or civil actions, administrative proceedings, or self-regulatory organization (SRO) proceedings.

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## **FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

### **Insurance**

An affiliated entity, Trilogy Financial, doing business as Trilogy Protect, is a licensed insurance agency with various States. Investment Advisor Representatives (“IAR”) of Trilogy may act as agents appointed with various life, disability, or other insurance companies, receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through Trilogy or its IAR. Please note that IARs spend less than 10% of their time on business relating to Insurance.

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## **BROKER DEALER**

Trilogy is not a broker/dealer, but some of our Investment Advisor Representatives (“IAR”) are registered representatives of LPL Financial LLC (“LPL”), a full-service broker-dealer, member FINRA/SIPC, which compensates them for effecting securities transactions. When placing securities transactions through LPL in their capacity as registered representatives, they will earn sales commissions. Because some of the IARs are dually registered representatives and agents of LPL and Trilogy, LPL has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3280. LPL and Trilogy are not affiliated companies. Some of the IARs of Trilogy spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, LPL engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Trilogy or its IARs, investments in securities may be recommended for clients. If LPL is selected as the broker-dealer, LPL and its registered representatives, including some of the IARs of Trilogy, may individually receive commissions for executing securities transactions.

You are advised that if LPL is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of Trilogy or LPL.

Moreover, you should note that under the rules and regulations of FINRA, LPL has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require LPL to coordinate with and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisors other than LPL. Accordingly, LPL may limit the use of certain custodial and brokerage arrangements available to clients of Trilogy and LPL may collect, as paying agent of Trilogy, the investment advisory fee remitted to Trilogy by the account custodian. LPL may retain a portion of the investment advisory fee you pay, as a charge for the functions it performs, and such portion may be further re-allowed to other registered representatives of LPL. The charge will not increase the advisory fee you have agreed to pay Trilogy.

Some of the IARs of Trilogy, in their capacity as registered representatives of LPL, or as agents appointed with various life, disability or other insurance companies, receive insurance commissions, fee trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. However, clients should note that they are under no obligation to purchase any investment products through Trilogy’s representatives.

As a result of the relationship with LPL, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Trilogy Capital's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact our firm's CCO. The contact information for the CCO can be found on the Cover Page of this Brochure.

Please refer to Brokerage Services in this Brochure for a discussion of the benefits Trilogy Capital may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

### **Schwab Advisor Services Advisory Board Membership**

Jeff Motske, President of Trilogy Capital serves on the Schwab Advisor Services Advisory Board (the "Advisory Board"). As described under Item 12 of this Form ADV, Trilogy Capital recommends clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") and/or its affiliates (e.g. TD Ameritrade Institutional) to maintain custody of the clients' assets and effect trades for their accounts. The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Advisory Board members enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals and other incidental expenses incurred in attending Advisory Board meetings.

### **Benefits to Investment Advisor Representatives**

Trilogy Capital and its related person Trilogy Financial provide various benefits to Registered Persons (IARs) that are new to the Trilogy Capital to assist the Advisor with the costs associated with transitioning his or her business to the Trilogy Capital. The amount of the benefits are often significant in relation to the overall revenue earned or compensation received by the IAR at his/her prior firm. Such payments are generally based on the size of the IAR's business established at his/her prior firm and/or assets under management with Trilogy Capital. Please refer to the relevant Part 2B brochure supplement for more information about the specific benefits your IAR receives.

These benefits are provided to persons of Trilogy in their capacity as IARs of Trilogy. However, the receipt of benefits by such IARs creates conflicts of interest relating to Trilogy's advisory business because it creates a financial incentive for Trilogy's IARs to recommend that its clients maintain their accounts with Trilogy. In certain instances, the receipt of such benefits is dependent on as IAR maintaining its clients' assets with Trilogy therefore Trilogy has an incentive to recommend that clients maintain their account with Trilogy in order to generate such benefits.

Trilogy attempts to mitigate these conflicts of interest by evaluating and recommending that clients use Trilogy's services based on the benefits that such services provide to our clients, rather than the benefits earned by any Trilogy Capital IAR. Trilogy and its IARs will always act in the best interest of their clients when recommending advisory services.

### **Sub-Advisor Relationships**

As described in 2A Item 4 – Advisory Business and Item 5 – Fees and Compensation, Trilogy has formed relationships with independent, investment advisors to serve as sub-advisors. When we utilize



a third-party Manager, you need to know that our firm will pay the Manager a portion of the total fee billed to the Client.

### **Promoter Arrangements**

Trilogy has promoter agreements with unaffiliated registered investment advisory firms, where Trilogy is a promoter for the named firm. Such a promoter arrangement, if any, is on a per client basis, and the client along with Trilogy and the unaffiliated firm executes a disclosure notifying them of the particulars of such an arrangement.

Trilogy promoter agreements are with firms only and does not have any agreements and arrangements with individuals whether licensed or otherwise.

### **Outside Business Activities**

Investment Advisory Representatives ("IAR") of Trilogy Capital have properly disclosed outside business activities where they act in the capacity of an attorney, insurance agent, registered representative or mortgage broker. At no time should any IAR of Trilogy Capital discuss or provide these services while acting in the capacity as an IAR of Trilogy Capital.

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## **OTHER AFFILIATIONS**

Additionally, management personnel of Trilogy may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Neither our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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## **BROKERAGE PRACTICES**

We generally recommend that clients utilize the custody, brokerage and clearing services of LPL Financial (“LPL”) for investment management accounts. We may recommend other custodians beside LPL based on your needs and the services offered (defined in this document as “Custodian(s)”).

We recommend that you establish accounts with these Custodians to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by our Custodians benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with one of these Custodians may be based in part on benefits they provide us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian. The Custodian we utilize makes available to us other products and services that benefit us but may not benefit your accounts in every case.

LPL Financial (“LPL”) provides various benefits and payments to registered investment advisers that are new to the LPL custodial platform to assist the firm with the costs associated with starting a Registered Investment Advisory firm and transitioning the business to LPL. Some of the other LPL products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

We are independently owned and operated and not affiliated with these Custodians. They provide us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

You have the right to not act upon any recommendations, and if you elect to act upon any recommendations, you have the right to not place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker’s cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions. The Custodian's execution quality may be different than other broker-dealers.

### ***Recommendation of LPL Financial***

Trilogy Capital will generally recommend and request that clients establish a brokerage account with LPL Financial to maintain custody of clients’ assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including Trilogy Capital. For Trilogy Capital’s accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. LPL Financial charges Trilogy Capital

an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients, but may be taken into account when Trilogy Capital negotiates its advisory fee with clients.

While LPL Financial does not participate in, or influence the formulation of, the investment advice Trilogy Capital provides, certain supervised persons of Trilogy Capital are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by Trilogy Capital, but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, Trilogy Capital is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers require, request or recommend that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of Trilogy Capital and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because Trilogy Capital has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

### ***Benefits Received by Trilogy Capital Personnel***

LPL Financial makes available to Trilogy Capital various products and services designed to assist Trilogy Capital in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of Trilogy Capital's accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Trilogy Capital's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.

LPL Financial also makes available to Trilogy Capital other services intended to help Trilogy Capital manage and further develop its business. Some of these services assist Trilogy Capital to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only Trilogy Capital, for example, services that assist Trilogy Capital in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Trilogy Capital in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to Trilogy Capital to cover the cost of such services, reimburse Trilogy Capital for the cost associated with the services, or pay the third party vendor directly on behalf of Trilogy Capital.

The products and services described above are provided to Trilogy Capital as part of its overall relationship with LPL Financial. While as a fiduciary Trilogy Capital endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because Trilogy Capital's [requirement, request or recommendation] that clients custody their assets at LPL Financial is based in part on the benefit to Trilogy Capital of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. Trilogy Capital's receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

### ***Transition Assistance Benefits***

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at his/her prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at his/her prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of Trilogy Capital in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to Trilogy Capital's advisory business because it creates a financial incentive for Trilogy Capital's representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore Trilogy Capital has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

Trilogy Capital attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. Trilogy Capital considers LPL Financial's availability of investment research and tools that assist us in making investment decisions and the competitiveness of the price of those services (commission rates, margin rates, other fees, etc. and the willingness to negotiate them when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

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While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or

quality of custody and brokerage services provided by the custodian, which may create a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

Our Firm annually reviews the relationship between our Custodian, Trilogy and the client in order to determine if the custodial relationship is in the best interest of the client.

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## **AGGREGATION AND ALLOCATION OF TRANSACTIONS**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

- Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed.
- We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
- No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction.
- We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients.
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
- Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
- We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory client.

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## **BROKERAGE FOR CLIENT REFERRALS**

Our Firm does not receive client referrals from any Custodian or third party in exchange for using that broker-dealer or third party.

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## **TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole, and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be held in an account to offset future potential trade error losses within the same calendar year. We will take any remaining

monetary positive balance in the trade error account of that calendar year and donate those funds to a 501c3 of choice. We will never benefit or profit from trade errors.

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## **DIRECTED BROKERAGE**

We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING**

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the Firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Trilogy, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

- No supervised employee of Trilogy shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Trilogy.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: June Adams, Chief Compliance Officer.

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## **ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES**

Our Investment Adviser Representatives will monitor client accounts on a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax, or financial status. Geopolitical and macroeconomic specific events may also trigger reviews. You are urged to notify us of any changes in your personal circumstances.



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## **STATEMENTS AND REPORTS**

Reports from our Firm are generated for clients on an annual basis or as requested. These reports show the rate of return of accounts under management of Trilogy.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports and invoices provided by Trilogy against the account statements you receive directly from your account custodian.

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## **CLIENT REFERRALS & OTHER COMPENSATION**

Affiliated or unaffiliated persons ("promoters") may, from time to time, refer, solicit, or introduce clients to our Firm. Our Firm may compensate certain promoters consistent with the requirements of applicable law and regulation, including the Advisers Act as well as applicable state/local laws and regulations. We may pay a promoter a recurring fee, a one-time fee or a portion of the advisory fees or revenues that we earn for managing client or investor assets referred to us by the promoter. The costs of such referral fees are typically paid entirely by our Firm and do not result in any additional charges to the client or investor.

Trilogy has been engaged as a promoter through an agreement with Stonebridge Capital Advisors, LLC. In such instance, Trilogy acts as a promoter and receives a portion of the fee paid to this unaffiliated advisor. This does not raise the fee paid by the client and the client receives all required disclosure forms disclosing the terms of the promoter relationship at the time the referral is made.

We pay a flat fee to participate in an online matching program that seeks to match prospective advisory clients with investment advisers. The program, which is operated by SmartVestor, provides information about investment advisory firms to persons who have expressed an interest in such firms. The program also provides the name and contact information of such persons to the advisory firms as potential leads. The flat fee we pay for being provided with potential leads varies based on certain factors, including the size of the person's portfolio, and the fee is payable regardless of whether the prospect becomes our advisory client.

### **Benefits of Using LPL as Custodian**

Our Firm receives support services and/or products from LPL Financial, many of which assist our Firm to better monitor and service program accounts maintained at LPL Financial; however, some of the services and products benefit Trilogy Capital and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- attendance at conferences, meetings, and other educational and/or social events
- other products and services used by Trilogy Capital in furtherance of its investment advisory business operations

These support services are provided to our Firm based on the overall relationship between Trilogy Capital and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. We will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by Trilogy Capital to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because Advisor receives these benefits from LPL Financial, there is a potential



conflict of interest. The receipt of these products and services presents a financial incentive for Advisor to recommend that its clients use LPL Financials' custodial platform rather than another custodian's platform.

### **Benefits provided by TD Ameritrade**

As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program, and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; research, technology, and practice management products or services provided to us by third-party vendors. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Trilogy or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Trilogy or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

### **Other Compensation Arrangements**

Trilogy's IARs may be incentivized to join and remain affiliated with Trilogy and to recommend that clients establish accounts with Trilogy through the provision of benefits discussed in Item 10. Trilogy Capital provides these additional benefits to its IARs including but not limited to repayable and forgivable loans. The receipt of any such compensation creates a financial incentive for your representative to recommend Trilogy for the assets in your advisory account.

### **Transition Assistance**

Trilogy Capital and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to Trilogy Capital and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to

recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

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## **CUSTODY**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under “Standing Instructions”. All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter (“Letter”) with respect to the Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Trilogy is deemed to have custody of client funds and securities whenever Trilogy is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Trilogy will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

Account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Trilogy. When you have questions about your account statements, you should contact Trilogy or the qualified custodian preparing the statement.

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## **SOFT DOLLARS**

Our Firm does not accept any direct soft dollars.

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**DIRECTED BROKERAGE**

Neither we nor any of our Firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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**FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.