

Cover Page - Item 1

**Red Tortoise, LLC**

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**March 15, 2023**

**Form ADV Part 2A Brochure**

Red Tortoise, LLC ("Red Tortoise") is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Red Tortoise. If you have any questions about the contents of this brochure, please contact us at (833) 666-1200. 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 Red Tortoise is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our IARD Number is 282509.

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous filing of our annual updating amendment submitted to regulators on March 14, 2022 and an additional amended submission on November 3, 2022. We review our brochure at least annually to make sure that it remains current.

On December 30, 2022 we had discretionary assets under management of \$243,998,757 and non-discretionary assets under management of \$2,062,305 for a total of \$246,061,062 in Regulatory Assets Under Management ("RAUM").

Item 8: We added and updated risk considerations.

We have made some additional changes to this brochure for clarity that are not material.

#### **Full Brochure Available**

If you would like to receive a complete copy of our Form ADV Part 2 Brochure, please contact Rex Macey, CEO and Manager, at (404) 667-0328 or by email at [rex.macey@redtortoisellc.com](mailto:rex.macey@redtortoisellc.com); or, contact Bill McVay, Chief Compliance Officer, at (404) 919-5158 or by email at [bill.mcvay@redtortoisellc.com](mailto:bill.mcvay@redtortoisellc.com).

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#### **Advisory Business - Item 4**

Red Tortoise, LLC (hereinafter “Red Tortoise,” “we,” “our” or the “firm”) is a registered investment advisor based in Atlanta, Georgia. We are a limited liability company under the laws of the State of Georgia. We have been providing investment advisory services since 2016.

Red Tortoise LLC is solely owned by three individuals who are all officers or employees of Red Tortoise. Red Tortoise CEO and Manager Rex Phillip Macey owns the majority interest. William G. (Bill) McVay is our Chief Compliance Officer.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each client:

- **Investment Advisory Services**
- **Wealth Management Services**
- **Financial Planning Services**
- **Investment Consulting Services**

#### **Investment Advisory Services**

Our firm offers discretionary investment advisory services to our clients. Discretionary investment advisory services means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions are made based on your stated investment objectives. Clients may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for their account. Simply provide us with your restrictions or guidelines in writing.

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

Our investment advice is tailored to meet our clients’ needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, discuss your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Red Tortoise primarily invests client assets in equity securities, mutual funds, exchange traded funds, U.S. government bonds, municipal bonds, certificates of deposit, and options.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

### **Wealth Management Services**

Red Tortoise provides wealth management services tailored to your circumstances including the following:

- *Investment Advisory Services* – Investment Advisory Services as described in the previous section AND one or more of the following services
- *Financial Planning* – Assist you with establishing and quantifying goals and objectives. When engaged to do so this will include preparing financial projections and models to help assess progress toward stated goals. When engaged to provide financial planning we will include planning related to retirement, debt financing, charitable giving, major asset purchases or liquidations, and significant life events.
- *Estate Planning* – Review of current and proposed estate planning documents to assess consistency with your goals and objectives. Prepare financial projections to evaluate alternative estate planning strategies. Serve as an advocate for you in interactions with your legal and tax advisors. Prepare illustrations of the flow of assets. **Red Tortoise is not a law firm and does not provide legal advice. The estate planning services that we provide, while confidential, do not carry with them the same legal protections afforded as part of a lawyer-client relationship. These include the protections and confidences of an attorney-client relationship and prohibitions against representation of persons with conflicting interests. We recommend you consult a lawyer if you want legal advice.**
- *Financial Reporting* – Prepare and update a family personal financial statement on a periodic basis with information provided by you.
- *Financial Organization* – Organize important financial and legal information in collaboration with you.
- *Bill Pay* – Facilitate certain payments from your accounts.
- *Tax Coordination* – Facilitate income tax payments and the dissemination of tax information to your tax advisors. Introduce tax planning opportunities that may arise and become known to us.
- *Insurance Coordination* – When engaged to provide insurance coordination we will review of property and casualty, life and other insurance coverages with your insurance advisor(s).
- *Consolidated Reporting Services* – Provide customized investment reporting for assets you may hold at multiple custodians.
- *Education* – When you engage us to provide education, we lead one on one and group learning sessions for family members.
- *Family Meeting Facilitation* – Assist with establishing a meeting agenda, goals, and norms and facilitating discussion for family meetings.

Our advice is based on your financial situation and the information you provide to our firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

### **Financial Planning Services**

Red Tortoise provides financial planning services separately to select clients. We spend time asking questions, gathering information, discussing your financial circumstances, and identifying goals and

objectives. We develop a written plan or, in some cases, multiple plans depending on your needs and provide a web portal and software for clients to collaborate with us on their needs.

We usually make recommendations to you as to how you might allocate your investment portfolio to achieve the goals set in a plan. You may also separately retain Red Tortoise to manage all or portions of your portfolio. You can regularly track your portfolio in your financial planning portal. Plans may not necessarily be written documents.

You may retain Red Tortoise on a single project after which Red Tortoise has no obligation to update the plan or you may retain the firm on an ongoing basis during which we will seek to update your financial plan on a regular, at least annually, basis.

Financial planning generally includes advice that addresses one or more areas of your financial situation, such as estate planning, risk management, budgeting, and cash flow controls, retirement planning, education funding, and investment portfolio design. Depending on your particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning your personal and financial situation;
- Assisting you in establishing financial goals and objectives;
- Analyzing your present situation and anticipated future activities in light of your financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet your goals and objectives;
- Providing estate planning;
- Assessing risk and reviewing basic life, health, and disability insurance needs; or
- Reviewing goals and objectives and measuring progress toward these goals.

You are under no obligation to act upon any of the recommendations made by Red Tortoise under a financial planning engagement and/or engage the services of any recommended professional. If you engage any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and not Red Tortoise, shall be responsible for the quality and competency of the services provided.

#### **Investment Consulting Services**

Red Tortoise provides investment planning services, including tax planning, estate planning, retirement planning, education planning, and personal budgeting and cash flow analysis. Red Tortoise strives to achieve your long-term financial goals by implementing an investment planning process that, depending on the engagement, will include one or more of the following steps:

- Assessment of your present financial situation by collecting information regarding net worth and cash flow statements, tax returns, investment portfolios, pension plans, employee benefit statements, etc.

- Identification of your financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic, and measurable. All goals include time horizons.
- Resolution of finance related problems.
- Plan Design. A written investment plan is prepared that includes recommendations and solutions.
- Implementation of the investment plan. Once the investment plan is finalized, the recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the investment plan is conducted periodically. You will be required to pay an additional fee to exercise this option.

Our advice is based on your financial situation and the information you provide to the firm. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our firm or by using the advisory/brokerage firm of your choice.

#### **Assets Under Management**

As of December 30, 2022, we had discretionary assets under management of \$243,998,757 and non-discretionary assets under management of \$2,062,305 for a total of \$246,061,062 in Regulatory Assets Under Management.

#### **Fees and Compensation - Item 5**

##### **Investment Advisory Services Fees**

Our investment advisory services fees are based on the following fee schedule:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
First \$500,000	1.00%	0.250%
Next \$500,000	0.50%	0.125%
Next \$4,000,000	0.40%	0.100%
Next \$5,000,000	0.35%	0.0875%
Over \$10,000,000	0.30%	0.0750%

##### **ADDITIONAL TERMS AND CONDITIONS**

We do not require a minimum annual fee. Red Tortoise will never charge an annualized fee in excess of 3.00% of assets under management.

This blended fee schedule identifies breakpoints of the account value to be charged at different rates. The total fair market value of your account is allocated among the different fee rates in the above schedule to determine the total quarterly account fee.

For example, assume that the fair market value of an Account at the end of the billing period is \$4,000,000. In this hypothetical example, our quarterly management fee would be assessed as follows:

- 1) The first \$500,000 of the account value would be billed at a quarterly rate of 0.25% ( $\$500,000 \times 0.25\% = \$1,250$ );
- 2) The next \$500,000 of the account value would be billed at a quarterly rate of 0.125% ( $\$500,000 \times 0.125\% = \$625$ );
- 3) The next \$3,000,000 of the account value would be billed at a quarterly rate of 0.10% ( $\$3,000,000 \times 0.100\% = \$3,000$ );
- 4) The fee for various break points is then added together to determine the total quarterly Account fee:  $\$1,250 + \$625 + \$3,000 = \$4,875$  which is 0.122%.

Fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. We may negotiate our fee schedule to include flat or maximum fees. Our annual investment management fee may be higher or lower than that charged by other investment advisors offering similar services/programs. The exact fee paid by you will be clearly stated in the Investment Advisory Agreement and signed by both you and the firm.

Fees are payable quarterly, in arrears, and are based on the balance of the account on the last day of the quarter. The first quarter's fees and fees for intra-period contributions and withdrawals will be calculated on a pro-rata basis. Red Tortoise will either invoice you directly for payment of fees or fees will be deducted directly from your account through the Qualified Custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. We will also receive a duplicate copy of your account statements.

We treat cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there is no guarantee that such anticipated market conditions/events will occur), we may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, our advisory fee could exceed the interest paid by your cash or cash equivalent positions.

Margin is the money borrowed from a broker using the securities in your account as collateral to purchase an investment or for you to use for your own purposes. Unless otherwise agreed in writing, we do not utilize margin in your account. The net balance of your account after accounting for the margin loan plus the value of securities purchased with a margin loan is called the gross account balance. If your account has a gross account balance that is greater than the net account balance, the net account balance will be used as part of your assets under management for the purposes of calculating our advisory fee.



We have a fiduciary duty to provide services consistent with your best interest. As part of our investment advisory services, we will review your portfolio on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, style drift, account additions/withdrawals, your financial circumstances, and changes in your investment objectives. Based upon these and other factors, there may be extended periods of time when we determine that changes to your portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, our annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by us will be profitable or equal any specific performance level(s).

We may deduct the fee from a designated account to facilitate billing. We recommend that you review the custodial statement(s) to verify the accuracy of fee calculation. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

The Investment Advisory Agreement between you and Red Tortoise will stay in effect until either party terminates the Agreement with 30 days' written notice. Red Tortoise's quarterly fee will be pro-rated through the date of termination and the firm will invoice you for the unpaid portion of the fee.

#### **Wealth Management Services Fees**

Our wealth management services fees are based on the following fee schedule:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Quarterly Fee</b>
First \$5,000,000	1.00%	0.2500%
Next \$5,000,000	0.75%	0.1875%
Next \$10,000,000	0.65%	0.1625%
Over \$20,000,000	0.15%	0.0375%

We do not require a minimum annual fee. Red Tortoise will never charge a fee in excess of 3.00% of assets under management.

This blended fee schedule identifies breakpoints of the account value to be charged at different rates. The total fair market value of the account is allocated among the different fee rates in the above schedule to determine the total quarterly account fee.

For example, assume that the fair market value of an Account at the end of the billing period is \$30,000,000. In this hypothetical example, our quarterly management fee would be assessed as follows:

- 1) The first \$5,000,000 of the account value would be billed at a quarterly rate of 0.25% (\$5,000,000 x 0.25% = \$12,500);
- 2) The next \$5,000,000 of the account value would be billed at a quarterly rate of 0.1875% (\$5,000,000 x 0.1875% = \$9,375);
- 3) The next \$20,000,000 of the account value would be billed at a quarterly rate of 0.1625% (\$20,000,000 x 0.1625% = \$32,500);

- 4) The fee for various break points is then added together to determine the total quarterly Account fee:  $\$12,500 + \$9,375 + \$32,500 = \$54,375$  which is 0.18125% ( $\$54,375 \div \$30,000,000 = 0.18125\%$ ) quarterly which is the equivalent of 0.725% annually.

Fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. We may negotiate our fee schedule to include flat or maximum fees. The exact fee paid by you will be clearly stated in the Wealth Management Agreement and signed by both you and the firm.

All of the Additional Terms and Conditions described in the above **"Investment Advisory Services Fees"** apply to Wealth Management Service Fees.

#### **Financial Planning Services**

Red Tortoise charges a base fee of \$3,500 for financial planning services. The fee is negotiable and may vary depending on the nature, complexity, and time involved in providing you with the requested services.

Prior to engaging Red Tortoise to provide financial planning services, you will generally be required to enter into a written agreement with our firm. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from you. Generally, Red Tortoise requires a prepayment of \$1,000 with the remaining balance due upon completion of the agreed upon services. Both parties may terminate the Agreement by written notice to the other; and, the Agreement will remain in effect until it is terminated.

#### **Investment Planning Services Fees**

Red Tortoise charges an hourly fee of up to \$500 for investment planning services. The fee is negotiable depending on the nature, complexity, and time involved in providing the client with the requested services.

Prior to engaging Red Tortoise to provide Investment Planning Services, you will generally be required to enter into a written agreement with our firm. The agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the portion of the fee that is due from you. Generally, Red Tortoise requires a prepayment of 50% of the fee with the remaining balance due upon completion of the agreed upon services. Either party may terminate the agreement by written notice to the other. In the event you terminate Red Tortoise's consulting services, the balance of the unearned fee (if any) shall be refunded to you.

#### **IRA Rollover Considerations**

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

otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

An employee will typically have four options:

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

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

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

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

- 3) Our strategy may have higher risk than the option(s) provided to you in your plan.
- 4) Your current plan may also offer financial advice.
- 5) If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 72.
- 6) Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- 7) You may be able to take out a loan on your 401k, but not from an IRA.
- 8) IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses, or the purchase of a home.
- 9) If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10) Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact us.

#### **Additional Fees and Expenses**

Red Tortoise's fees are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. Advisory fees are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).

All fees paid to Red Tortoise for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in a mutual fund directly, without the services of Red Tortoise. In that case, you would not receive the services provided by Red Tortoise which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Red Tortoise to fully understand the total amount of fees to be paid by you and to thereby evaluate the advisory services being provided.

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

Performance-based fees and side-by-side management are compensation based on a share of capital gains on or capital appreciation of a client's assets. Red Tortoise does not accept accounts utilizing performance-based fees or side-by-side management.

#### Types of Clients - Item 7

We generally offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

We require a minimum of \$500,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

Red Tortoise primarily uses fundamental and technical analysis. Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall.

We may use one or more of the following investment strategies when advising you on investments:

- Long-Term Purchases – securities held for over a year.
- Short-Term Purchases – securities held for less than a year.
- Trading – securities held for less than 30 days.
- Covered Options – covered option strategies are a variety of strategies in which an investor writes an option contract while at the same time owning an equivalent number of shares of the underlying stock.

The investment advice provided along with the strategies suggested by Red Tortoise will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed will be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

**Investing in securities involves the risk of loss that you should be prepared to bear. Because each of our clients may pursue a tailored investment strategy, some of the following risks will not pertain to your account however you should be aware of these risks. This is not intended to be a comprehensive list of all risks.**

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including the complete possible loss of principal plus other losses, and may not be

suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower-quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Preferred Securities Risk:** Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without

triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

**Environment, Social, and Governance Investment Criteria Risk:** If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. We may vary materially from other advisers with respect to our methodology for constructing ESG portfolios or screens, including with respect to the factors and data that we collect and evaluate as part of our process. As a result, our ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

**Inverse and Leveraged Funds:** We do not recommend or utilize inverse and/or leveraged funds in our investment strategy; however, we may supervise these "legacy" positions for certain clients when asked. Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. These funds may amplify gains and losses in a portfolio.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on a portfolio's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing.



Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

**Risks Associated with Investing in Buffer ETFs:** We do not recommend or utilize Buffer ETFs in our investment strategy; however, we may supervise these “legacy” positions for certain clients when asked. Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

**Structured Notes:** We do not recommend or utilize Structured Notes in our investment strategy; however, we may supervise these “legacy” positions for certain clients when asked. Structured Notes contain specific risks including complexity, market risk, insurance price, note value, liquidity and credit risk. Clients should fully understand these risks before investing in Structured Notes.

**Cybersecurity Risks:** Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

**Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions,



travel restrictions, governmental responses and policies, and macroeconomic factors will negatively impact investment returns.

**Options Risk:** Red Tortoise as part of its investment strategy may utilize one or more of the following option strategies:

**Covered Call Writing**

Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs, and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

**Long Call Option Purchases**

Long call option purchases allow the option holder to be exposed to the general market characteristics of a security without the outlay of capital necessary to own the security. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant losses.

**Long Put Option Purchases**

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way, long puts are often used to hedge a long stock position. Options are wasting assets and expire (usually within nine months of issuance), and as a result can expose the investor to significant losses.

**Recommendation of Other Advisers:** In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third-party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party’s past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account’s performance that could result in capital losses in your account. Please refer to the third-party investment adviser’s advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

**Cryptocurrency Risk: We do not recommend or utilize Cryptocurrency in our investment strategy;** however, we may supervise these “legacy” positions for certain clients when asked. Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency,” “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin.

Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction.

Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm’s clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and “flow-through” to the underlying investors.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of material legal or disciplinary events by our firm or our management persons.

#### Other Financial Industry Activities or Affiliations - Item 10

Our firm and our related persons conduct financial industry relationships on an independent and unaffiliated basis. This practice minimizes any material client advisory business conflict of interest.

George Chen is not involved in any other financial industry activities and does not have any financial industry affiliations.

Howard Fleming provides tax preparation services separately from, and independently of, Red Tortoise. Tax preparation clients may be clients of and referred by Red Tortoise. Red Tortoise does not receive any compensation from this business. Mr. Fleming expects to devote approximately 5% of his professional time to provide tax preparation services.

Rex Macey, CEO and Manager, is not involved in any other financial industry activities and does not have any financial industry affiliations.

Bill McVay, Chief Compliance Officer, is an Independent Trustee of the Advisor Shares ETF Trust, an SEC-registered mutual fund. Mr. McVay expects to devote approximately 5% of his professional time in his capacities as an Independent Trustee. Red Tortoise clients are not invested in any funds for which Mr. McVay serves as an Independent Trustee.

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

##### **Description of Our Code of Ethics**

Red Tortoise has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Red Tortoise's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and

- The principle that independence in the investment decision-making process is paramount.

A copy of Red Tortoise's Code of Ethics is available upon request to Rex Macey, CEO and Manager, at (404) 667-0328 or [rex.macey@redtortoisellc.com](mailto:rex.macey@redtortoisellc.com); or, contact Bill McVay, Chief Compliance Officer, at (404) 919-5158 or [bill.mcvay@redtortoisellc.com](mailto:bill.mcvay@redtortoisellc.com).

#### **Personal Trading Practices**

At times Red Tortoise and/or its Advisory Representatives may take positions in the same securities as clients, which is considered a conflict of interest with clients. Red Tortoise and its Advisory Representatives will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades, however, we will uphold our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e., a thinly traded stock), disclosure will be made to the client(s) at the time of trading.

#### **Brokerage Practices - Item 12**

Red Tortoise has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC and a Qualified Custodian as defined under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Red Tortoise is independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

#### *Your Custody and Brokerage Costs*

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on our commitment to maintain \$10 million of our clients' assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if we had not made the commitment. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

#### *Research and Other Soft Dollar Benefits*

Although not considered "soft dollar" compensation, Red Tortoise will normally receive benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's

support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, it may charge us quarterly service fees. Below is a detailed description of Schwab's support services:

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Red Tortoise maintains informal custodial relationships with additional qualified custodians that are not material.

Red Tortoise understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all Red Tortoise clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Red Tortoise may not always obtain the lowest commission rate, Red Tortoise believes the rate is reasonable in relation to the value of the brokerage and research services provided.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

**Directed Brokerage**

Clients may direct brokerage to a specified broker/dealer other than the firm recommended by Red Tortoise. In these situations, it is up to the client to negotiate the commission rate, as Red Tortoise will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Red Tortoise. Where the client does not otherwise designate a broker/dealer, Red Tortoise recommends a broker/dealer with competitive commission rates.

**Trade Aggregation/Block Trading**

Red Tortoise may aggregate transactions in securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Red Tortoise may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time d receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. Red Tortoise and/or its Associated Persons may participate in block trades with clients; however, Red Tortoise and/or its Associated Persons will not participate on a pro rata basis for partial fills.

**Review of Accounts - Item 13**

We monitor client portfolios on a continuous basis and conduct regular account reviews on at least a quarterly basis. All reviews are conducted by George Chen, Howard Fleming, Rex Macey, and/or Bill McVay.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or a client's request.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis.

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

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain

accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We may enter into referral agreements pursuant to which we compensate third-party intermediaries for client referrals that result in the provision of investment advisory services by us. Any such referral arrangements will be disclosed to affected investors, and any cash or non-cash compensation agreements will comply with Rule 206(4)-1 under the Advisers Act. Promoters introducing clients to us may receive compensation from us, such as a retainer, a flat fee per referral, and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the promoter and generally may be terminated by either party according to the terms of the agreement. The cost of any such referral fees will be borne entirely by Red Tortoise and not by any affected client.

#### Custody - Item 15

Where the account custodian directly debits your account(s) for the payment of our advisory fees on our behalf, we are deemed to exercise limited custody over your funds or securities. In addition, you may ask that we perform certain duties that, should we agree to your request, would effectively give us the ability to exercise some additional custodial control of your account. We reserve the right, in our sole discretion, to not accept certain duties that might cause us to have effective custody. 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 as defined by 17 CFR § 275.206(4)-2.

You will receive account statements from the independent, Qualified Custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review those statements promptly when you receive them. The custodial statement is the official record of your account for tax purposes.

#### Investment Discretion - Item 16

Where Red Tortoise offers Investment Advisory Services on a discretionary basis, clients must grant discretionary authority in the Investment Advisory Agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and does not require advance client approval.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary investment advisory services.

In very limited circumstances, at our sole discretion, we may agree to manage assets on a non-discretionary basis. If you enter into non-discretionary arrangements with our firm, we must obtain



your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

#### Voting Client Securities - Item 17

Red Tortoise does not vote proxies. It is your responsibility to vote proxies. You will receive proxy materials directly from your custodian. Questions about proxies may be made via the contact information on the cover page.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Red Tortoise's financial condition. Red Tortoise does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Red Tortoise has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

#### Miscellaneous

##### **Class Action Lawsuits**

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

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

##### **Confidentiality**

Red Tortoise views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Red Tortoise does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a



client account, Red Tortoise may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Red Tortoise restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Red Tortoise maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to service your account, at your request, or as required by law or a court of competent jurisdiction.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Red Tortoise Advisory Agreement. If you have any questions on this policy, please contact Rex Macey, CEO and Manager, at (404) 667-0328 or [rex.macey@redtortoisellc.com](mailto:rex.macey@redtortoisellc.com); or, contact Bill McVay, Chief Compliance Officer, at (404) 919-5158 or [bill.mcvay@redtortoisellc.com](mailto:bill.mcvay@redtortoisellc.com).

**George Chen, CFA<sup>®</sup>, CIPM<sup>®</sup>**  
**Investment Adviser Representative/Director**  
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Decatur, GA 30033  
Phone: (404) 790-4220  
Email: [george.chen@redtortoisellc.com](mailto:george.chen@redtortoisellc.com)

**Red Tortoise, LLC**  
5555 Glenridge Connector  
Ste. 200  
Atlanta, GA 30342  
Phone: (833) 666-1200

**March 15, 2023**

**Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about George Chen that supplements the Red Tortoise, LLC Brochure. You should have received a copy of that Brochure. Please contact us at (833) 666-1200 if you did not receive Red Tortoise, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Chen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Chen's CRD number is 3070134.

### **Educational Background and Business Experience - Item 2**

**George Chen, CFA**

Year of Birth: 1968

**Formal Education:**

- Georgia State University, Master's of Business Administration, 1995
- University of New Orleans, B.S., Finance, 1993

**Business Background:**

- Red Tortoise, LLC, Investment Adviser Representative/Principal, 10/2018 to Present
- FDX Advisors, Director of Investment Strategies, 10/2015 to 08/2018
- Unemployed, 01/2015 to 10/2015
- M&T Bank, Analyst, 08/2011 to 12/2014
- M&T Securities, Analyst, 08/2011 to 12/2014

**Professional Designations and Qualifications:**

**CHARTERED FINANCIAL ANALYST (CFA®)**

The Chartered Financial Analyst (CFA®) designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self-study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required. More information about the CFA program is available at [www.cfainstitute.org](http://www.cfainstitute.org).

**CERTIFICATE IN INVESTMENT PERFORMANCE MEASUREMENT (CIPM®)**

The Certificate in Investment Performance Measurement (CIPM) is a professional designation awarded by CFA Institute. To earn the CIPM designation, candidates must pass the CIPM Program consisting of two examinations. The two exams test ethical and professional standards, performance measurement, attribution and appraisal, and the Global Investment Performance Standards (GIPS). CIPM certificate holders must have at least two years of professional experience in one or more positions substantially entailing performance related activities or four years of professional experience in the investment industry that consists of evaluating or applying financial, economic, and/or statistical data, marketing investment management services, or monitoring an investment firm's compliance with applicable laws, regulations, and standards. Continuing Education is required. More information about the CIPM program is available at [www.cfainstitute.org](http://www.cfainstitute.org).

### **Disciplinary Information - Item 3**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Chen and Red Tortoise. Mr. Chen has not been involved in any reportable disciplinary events.

Other Business Activities - Item 4

Mr. Chen is not involved in any other financial industry activities and does not have any financial industry affiliations.

Additional Compensation – Item 5

Mr. Chen does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

Supervision - Item 6

Mr. Chen is an investment adviser representative of Red Tortoise. In this role, Mr. Chen is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews. Mr. Chen is supervised by William (Bill) McVay, Chief Compliance Officer. In this capacity, Mr. McVay is responsible for supervision of the firm's compliance program.

Red Tortoise has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Chen adheres to Red Tortoise's code of ethics and compliance manual as mandated.

Clients may contact William G. (Bill) McVay, Chief Compliance Officer, at (404) 919-5158, with any questions and/or to obtain a copy of Red Tortoise's code of ethics.

Additionally, Red Tortoise is subject to regulatory oversight by various agencies. These agencies require registration by Red Tortoise and its employees. As a registered entity, Red Tortoise is subject to examinations by regulators, which may be announced or unannounced. Red Tortoise is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

**Howard McMonagle Fleming, CFA®, CPA, CFP®**

**Investment Adviser Representative**

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**March 14, 2022**

**Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Howard McMonagle Fleming that supplements the Red Tortoise, LLC Brochure. You should have received a copy of that Brochure. Please contact us at (404) 667-0328 if you did not receive Red Tortoise, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Fleming is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Fleming's CRD number is 1705075.

## **Educational Background and Business Experience - Item 2**

### **Howard McMonagle Fleming, CFA®, CPA, CFP®**

Year of Birth: 1965

#### **Formal Education:**

- Texas A&M University, M.S., Accounting/Tax, 1992
- Baruch College, B.B.A., Finance, 1987

#### **Business Background:**

- Red Tortoise, LLC, Investment Adviser Representative/Principal, 5/2019 to Present
- SunTrust / Genspring Family Offices, Senior Wealth Strategist, 8/2004 – 3/2019
- KPMG Investment Advisors, Senior Tax Manager, 6/1996 – 8/2004
- Arthur Anderson, Senior Tax Consultant, 12/1994 – 6/1996
- Ernest & Young, Senior Tax Consultant, 12/1992-12/1994

#### **Professional Designations and Qualifications:**

##### **CHARTERED FINANCIAL ANALYST (CFA®)**

The Chartered Financial Analyst (CFA®) designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self-study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required. More information about the CFA program is available at [www.cfainstitute.org](http://www.cfainstitute.org).

##### **CERTIFIED PUBLIC ACCOUNTANT (CPA)**

Certified Public Accountants are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

##### **CERTIFIED FINANCIAL PLANNER™ (CFP®)**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 68,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Fleming and Red Tortoise. Mr. Fleming has not been involved in any reportable disciplinary events.

#### **Other Business Activities - Item 4**

Mr. Fleming provides tax preparation services separately from and independently of Red Tortoise. Tax preparation clients may be clients of and referred by Red Tortoise. Red Tortoise does not receive any compensation from this business. Mr. Fleming expects to devote approximately 5% of his professional time to provide tax preparation services.

#### **Additional Compensation – Item 5**

Apart from compensation earned from the outside business activities listed under Item 4 above, Mr. Fleming does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

#### **Supervision - Item 6**

Mr. Fleming is an investment adviser representative of Red Tortoise. In this role, Mr. Fleming is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews. Mr. Fleming is supervised by William (Bill) McVay, Chief Compliance Officer. In this capacity, Mr. McVay is responsible for supervision of the firm's compliance program.

Red Tortoise has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Fleming adheres to Red Tortoise's code of ethics and compliance manual as mandated.

Clients may contact William G. (Bill) McVay, Chief Compliance Officer, at (404) 919-5158, with any questions and/or to obtain a copy of Red Tortoise's code of ethics.

Additionally, Red Tortoise is subject to regulatory oversight by various agencies. These agencies require registration by Red Tortoise and certain of its employees. As a registered entity, Red Tortoise is subject to examinations by regulators, which may be announced or unannounced. Red Tortoise is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.



**Rex Phillip Macey, CFA®, CFP®, CIMA®**  
**CEO and Manager/Investment Adviser Representative**  
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**March 14, 2022**

**Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Rex Macey that supplements the Red Tortoise, LLC Brochure. You should have received a copy of that Brochure. Please contact us at (833) 666-1200 if you did not receive Red Tortoise, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Rex Macey is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. Macey's CRD number is 1781700.

## **Educational Background and Business Experience - Item 2**

**Rex Phillip Macey, CFA®, CFP®, CIMA®**

Year of Birth: 1960

**Formal Education:**

- Vanderbilt University, B.S., Mathematics, 1982
- Kenan-Flagler (UNC), M.B.A, 1994

**Business Background:**

- Red Tortoise, LLC, CEO and Manager, 12/2015 to Present.
- Wilmington Trust Investment Management, Investment Adviser Representative, 08/2004 to 07/2015.
- American Financial Advisors, LLC, Owner, 08/2001 to 10/2012, Investment Adviser Representative, 03/2003 to 08/2004.

**Professional Designations and Qualifications:**

Chartered Financial Analyst (CFA®): This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self-study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

Certified Financial Planner™ (CFP®): The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 68,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Investment Management Analyst<sup>SM</sup> (CIMA®): The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through the Investment Management Consultants Association<sup>SM</sup> (IMCA®).

### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Macey and Red Tortoise. Mr. Macey has not been involved in any reportable disciplinary events.

#### Other Business Activities - Item 4

Mr. Macey is not involved in any other financial industry activities and does not have any financial industry affiliations.

#### Additional Compensation – Item 5

Mr. Macey does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

#### Supervision - Item 6

Mr. Macey is an investment adviser representative of Red Tortoise. In this role, Mr. Macey is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews. Mr. Macey is also the CEO and Manager of Red Tortoise. In this capacity, Mr. Macey is responsible for the overall management of the firm and supervision of the firm's personnel.

Red Tortoise has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Macey adheres to Red Tortoise's code of ethics and compliance manual as mandated.

Clients may contact Mr. Macey at (404) 667-0328 or William G. (Bill) McVay, Chief Compliance Officer, at (404) 919-5158, with any questions and/or to obtain a copy of Red Tortoise's code of ethics.

Additionally, Red Tortoise is subject to regulatory oversight by various agencies. These agencies require registration by Red Tortoise and its employees. As a registered entity, Red Tortoise is subject to examinations by regulators, which may be announced or unannounced. Red Tortoise is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

**William G. (Bill) McVay, CIMA®, CFP®, CIMC®, ChFC®, CLU®**  
**Chief Compliance Officer /Investment Adviser Representative**

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**March 14, 2022**

**Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about William G. (Bill) McVay that supplements the Red Tortoise, LLC Brochure. You should have received a copy of that Brochure. Please contact us at (833) 666-1200 if you did not receive Red Tortoise, LLC's Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. McVay is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Mr. McVay's CRD number is 718549.

## **Educational Background and Business Experience - Item 2**

**William G. (Bill) McVay, CIMA®, CFP®, CIMC®, ChFC®, CLU®**

Year of Birth: 1954

### **Formal Education:**

- Southeast Missouri State University, Bachelor of Education, 1976

### **Business Background:**

- Red Tortoise, LLC, Investment Adviser Representative, 05/2017 to Present; Chief Compliance Officer, 01/2018 to Present.
- RDK Strategies, LLC, Managing Member, 02/2007 to Present.

### **Professional Designations and Qualifications:**

#### **Certified Investment Management Analyst<sup>SM</sup>(CIMA®)**

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through the Investment Management Consultants Association<sup>SM</sup> (IMCA®).

#### **CERTIFIED FINANCIAL PLANNER<sup>TM</sup>(CFP®)**

The CERTIFIED FINANCIAL PLANNER<sup>TM</sup>, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 68,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning

and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **Certified Investment Management Consultant<sup>SM</sup> (CIMC®)**

As of December 2003, new CIMC certifications are no longer granted. When the designation was issued, its content focused on investment consulting. Current CIMC designees can maintain the designation through the Investment Management Consultants Association (IMCA®). CIMC designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMC designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the designation.

#### **Chartered Financial Consultant (ChFC)**

The Chartered Financial Consultant designation is a financial credential awarded by the American College to individuals who satisfy educational, work experience and ethics requirements. Recipients of the ChFC certification have completed, and passed examinations, on at least seven mandatory college-level courses in the areas of financial, insurance, retirement and/or estate planning, as well as income taxation and/or investments. Additionally, recipients have completed at least three elective courses on the financial system, estate planning applications, executive compensation, and/or retirement decisions.

#### **Chartered Life Underwriter® (CLU®)**

The Chartered Life Underwriter® designation is issued by The American College in Bryn Mawr, Pennsylvania, and is granted to individuals who have at least three years of full-time business

experience within the five years preceding the awarding of the designation. The candidate is required to take a series of mandatory courses, which include, for example, the following: insurance planning, life insurance law, fundamentals of estate planning, planning for business owners, income taxation, group benefits, planning for retirement needs, and investments. Each course has a final proctored exam and designees are subject to oversight for ethical practices.

#### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. McVay and Red Tortoise. Mr. McVay has not been involved in any reportable disciplinary events.

#### Other Business Activities - Item 4

Mr. McVay is an Independent Trustee of the AdvisorShares ETF Trust, an SEC registered mutual fund. Mr. McVay expects to devote approximately 5% of his professional time in his capacities as an Independent Trustee. Red Tortoise clients are not invested in any funds for which Mr. McVay serves as an Independent Trustee.

#### Additional Compensation – Item 5

Mr. McVay is compensated for his services as an Independent Trustee. However, Mr. McVay does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities conducted through Red Tortoise.

#### Supervision - Item 6

Mr. McVay is an investment adviser representative of Red Tortoise. Mr. McVay is also the Chief Compliance Officer and is responsible for the implementation of the firm's compliance program. Rex Macey, CEO and Manager of Red Tortoise, is responsible for the overall management of the firm and supervision of the firm's personnel. Mr. McVay reports directly to Mr. Macey.

Red Tortoise has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. McVay adheres to Red Tortoise's code of ethics and compliance manual as mandated.

Clients may contact Mr. Macey, CEO and Manager, at (404) 667-0328 or Mr. McVay at (404) 919-5158, with any questions and/or to obtain a copy of Red Tortoise's code of ethics.



Additionally, Red Tortoise is subject to regulatory oversight by various agencies. These agencies require registration by Red Tortoise and certain of its employees. As a registered entity, Red Tortoise is subject to examinations by regulators, which may be announced or unannounced. Red Tortoise is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.