

## **EDGE FINANCIAL ADVISORS, LLC**

111 West Wesley Street, Suite 1  
Wheaton, Illinois 60187

Telephone: (630) 221-1000

<http://www.edgefa.com>

### **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Edge Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact Edward James Meek at (630) 221-1000 or at [info@edgefa.com](mailto:info@edgefa.com). 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 Edge Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for this Adviser is 136426.

Edge Financial Advisors, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

August 7, 2023

## Material Changes

This item will be used to provide our clients with a summary of new and/or updated information. Edge Financial Advisors, LLC f/k/a as Edge Portfolio Management, LLC (“EFA”) will inform you of the revision(s) based on the nature of the updated information, similar to what it has done above.

EFA will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. Furthermore, EFA will provide you with other interim disclosures about material changes as necessary.

This firm brochure dated March 9, 2023 has the following material changes since the brochure dated March 16, 2022, that was filed with our last annual updating amendment. They are:

1. The firm has updated its assets under management. Please see Item 4.

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## Advisory Business

Edge Financial Advisors, LLC f/k/a as Edge Portfolio Management, LLC (“EFA”) is an SEC registered investment advisor with its principal place of business in Wheaton, Illinois. EFA has been in business since 2005 and is majority-owned by Edward Meek.

### Investment Supervisory Services – General Information

Prior to engaging in providing any of the following investment advisory services, the client will be required to enter into one or more written agreements with EFA setting forth the terms and conditions under which EFA shall render its services. This contract will remain in effect unless terminated by either party upon written notice. The client may make additions to and withdrawals from the account at any time, subject to EFA’s right to terminate an account. Clients may withdraw account assets on notice to EFA, subject to the usual and customary securities settlement procedures. However, EFA designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client’s investment objectives.

A copy of EFA’s privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended (“Advisers Act”), will be provided to each client prior to the execution of the *Agreement*. Any client who has not received a copy of EFA’s written disclosure statement at least forty-eight (48) hours prior to executing the *Agreement* will have five (5) business days after executing the agreement to terminate EFA’s services without penalty.

EFA’s clients are advised to promptly notify EFA if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon EFA’s management services. As a general matter, EFA does not accept client direction for restrictions on the type of securities to be purchased or sold or the particular security. However, EFA will make every effort to accommodate such a request.

EFA determines its recommendations for the clients’ portfolios by the following methods: Portfolio Management Agreement (including Exhibits A and B), Investment Objectives questionnaire, and in person meetings.

#### A. Discretionary Management

EFA provides investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities on a fee

basis, which may include fees based on assets under management and the performance of the client's portfolio.

EFA offers advice on most securities. However, EFA intends to primarily allocate its clients' investment management assets on a discretionary basis among mutual funds, exchange traded funds, exchange traded notes, structured notes, structured CDs, options, individual bonds and pooled investment vehicles (such as hedge funds) and *Independent Managers* (as defined below) in accordance with the investment objectives of the client. As further discussed in response to Item 12 (below), EFA shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as "*Fidelity*"), or TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("*TD Ameritrade*").

EFA may only implement its investment management recommendations after the client has arranged for and furnished EFA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, *TD Ameritrade*, any other broker-dealer recommended by EFA, any broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institution(s)*").

#### B. Non-Discretionary Management

EFA may also render non-discretionary investment management services to clients similar to the portfolio management it conducts for its discretionary clients. In these arrangements, EFA will seek the client's approval prior to implementing any trade recommendation.

In addition, EFA will conduct non-discretionary management relative to all registrations available at *Financial Institutions* including but not limited to: (1) variable life/annuity products that they may own and/or (2) their individual employer-sponsored retirement plans. In so doing, EFA either directs or recommends the allocation of client assets among the various mutual fund subaccounts that comprise the variable life/annuity product, or retirement plan. The client assets will be maintained at either the specific insurance company that issued the variable life/annuity product, which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

In addition, if the client requests it, EFA may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither EFA, nor any of its representatives, serves as an attorney or accountant and no portion of EFA's services should be construed as same. To the extent requested by a client, EFA may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.). The client is under

no obligation to engage the services of any such recommended professional and is free to accept or reject any EFA recommendation.

### C. Third Party Money Manager Selection

EFA may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) either directly or through a wrap fee program (“*Independent Manager(s)*”), based upon the investment objectives stated by the client. If a client chooses to engage an *Independent Manager(s)*, the terms and conditions of the engagement may be set forth in written agreements between (1) the client and EFA and/or (2) the client and the designated *Independent Manager(s)* and/or wrap fee program sponsor. EFA will continue to render advisory services to the client relative to the ongoing monitoring and review of account performance. For these services EFA will receive an annual advisory fee based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)*. Factors that EFA considers in recommending *Independent Manager(s)* include the client’s stated investment objective(s), management style, performance, reputation, financial strength, reporting, and pricing.

In addition to EFA’s written disclosure statement, the client will also receive the written disclosure statement of the designated *Independent Manager(s)* and wrap fee program sponsor (if applicable). Some *Independent Manager(s)* may impose more restrictive account requirements and varied billing practices than EFA. In such instances, EFA may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Manager(s)* or wrap fee program sponsor.

### D. Financial Planning

EFA provides financial consulting on a range of matters for clients. These services include analysis and recommendations relating to cash flow, projected income taxes, estate objectives, education funding, investment portfolio evaluation, long term health care planning, retirement planning, tax planning, and insurance provisions and needs. Once EFA completes this analysis, a representative from the firm meets with the client and finalizes a financial plan where different financial and/or estate planning and investment strategies are discussed. The client is provided with a summary in regard to the firm’s analysis and recommendations. When a specific strategy is decided upon, the implementation of that strategy begins and is reviewed, monitored, and updated by meetings, telephone calls and correspondence. Not all clients engage EFA for every service described.

### Assets Under Management

As of December 31, 2022, EFA had \$301, 467,414 under management on a discretionary basis, and \$7,053,830 under management on a non-discretionary basis.

## Fees and Compensation

### General Information about Fees

EFA renders investment management services on a fee basis. EFA charges an annual fee based upon a percentage of the market value of the assets being managed by EFA (“base fee”). EFA *may* also charge certain qualified clients a performance-based fee in accordance with the requirements set forth in applicable laws, rules, and regulations. For more details on performance-based fees, please see the section of this brochure entitled “Performance-Based Fees and Side-By-Side Management” in Section 6 of this ADV Part2.

EFA’s annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which the client will incur. However, EFA does not receive any portion of these commissions, fees, and costs.

### Direct Management Fees

EFA’s fees are prorated and charged quarterly, in arrears or in advance, based upon the market value of the assets on the last day of the current or previous quarter. The annual fees are negotiable up to 2% per annum based upon the market value of the assets as described above.

### Independent Managers’ Fees

The investment management fees charged by the designated *Independent Manager(s)*, together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client’s assets, may be exclusive of, and in addition to, EFA’s investment advisory fee described above. As discussed above, the client may incur additional fees beyond those charged by EFA, the designated *Independent Manager(s)*, wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

If EFA refers a client to certain *Independent Manager(s)* where EFA’s compensation is included in the advisory fee charged by such *Independent Manager(s)* and the client engages those *Independent Manager(s)*, EFA will be compensated for its services by receiving a fee paid directly by the *Independent Manager(s)* in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee will be paid solely from the *Independent Manager(s)* investment management fee or the program fee of the wrap fee



program (as appropriate) and will not result in any additional charge to the client.

Additionally, certain *Independent Manager(s)* may impose more restrictive account requirements and varying billing practices than EFA. In such instances, EFA may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Manager(s)* or wrap fee program sponsor.

### **Financial Planning Fees**

EFA charges financial planning fees as fixed fees or as hourly charges.

### **Transaction Costs**

Clients may incur certain charges imposed by the *Financial Institution(s)* and other third parties such as fees charged by *Independent Managers* (as defined below), custodial fees, charges imposed directly by a mutual fund or exchange traded fund on the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions, ticket charges, and transaction fees. Such charges, fees and commissions are exclusive of and in addition to EFA's fee.

### **Debiting and Pro-rating of Fee**

EFA's *Agreement* and/or the separate agreement with the *Financial Institution(s)* may authorize EFA through the *Financial Institution(s)* to debit the client's account for the amount of EFA's fee and to directly remit that management fee to EFA in accordance with applicable custody rules. The *Financial Institution(s)* recommended by EFA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to EFA.

For the initial quarter of investment management services, the fees will be calculated on a *pro rata* basis. The *Agreement* between EFA and the client will continue until terminated by either party pursuant to the terms of the *Agreement*. EFA's annual fee will be prorated through the date of termination and any remaining balance will be charged or refunded to the client, as appropriate, in a timely manner.

## Performance-Based Fees and Side-By-Side Management

Where EFA enters into arrangements where performance-based fees are assessed for advisory services, clients must have at least \$1,000,000 under EFA management or the client must certify to EFA that they have a net worth of at least \$2,100,000 excluding primary residence at the time of entering into the performance-based fee arrangement. With such clients, EFA may enter into arrangements where performance-based fees are assessed for advisory services in addition to a fixed fee. The performance-based fee portion of the fee is generally equal to 10% of the net performance subject to a high-water mark. Performance-based fees are charged quarterly in arrears. The fixed fee portion will be quoted based on the schedule below:

<u>Performance Based Fee</u>	<u>Annual Base Fee</u>
First \$5,000,000.....	0.50%
Next \$5,000,000 .....	0.40%
Above \$10,000,000 .....	0.25%
EFA's performance-based management services are subject to a minimum annual fee of \$3,750.	

As further discussed above, EFA generally imposes a minimum annual fee for its investment management services. EFA, in its sole discretion, may negotiate to waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

There is an inherent conflict of interest in managing performance-based accounts alongside of non-performance-based fee accounts. There is an incentive to favor accounts for which Edge receives a performance fee thereby increasing its compensation. EFA addresses this conflict by using block trading when the same securities are purchased for both performance-based and non-performance-based fee accounts in order to ensure fair allocation.

### Types of Clients

EFA generally provides investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

EFA generally imposes a minimum annual fee for providing investment management services. The specific minimum will depend on the type of services EFA has been engaged to provide, as further discussed above. These minimum fees may have the effect of making EFA's service impractical for clients with smaller portfolios. EFA, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

## Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of Analysis, Sources of Information, and Investment Strategies

EFA uses a variety of security analysis methods including fundamental, technical, and cyclical factors. EFA obtains information from financial newspapers and magazines, research materials, annual reports, company filings and press releases. EFA primarily implements the investment strategy through long- and short-term purchases, but at times will also utilize trading (securities sold within 30 days). To a lesser extent, EFA may conduct short sales, option trades, or invest on margin.

In addition, EFA advises on inverse ETFs which are leveraged long and short funds that are designed to perform in an inverse relationship to certain market indices. Due to the leverage component of the ETFs, there may be additional risk to such investments.

In addition, EFA may recommend that clients that are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, or “qualified purchasers” as defined in Section 2(a) (51) of the Investment Company Act of 1940, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client’s investment objectives. These private placement securities involve a high degree of risk due primarily to the fact that the securities themselves are not liquid and the securities in which the pool may invest are not liquid as well. These securities should be purchased only by those who can bear the long-term illiquidity of the investment as well as the possibility of the entire loss of their investment.

Please note that all investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s underlying circumstances. For example, political, economic, and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Other examples of illiquid securities include private placement securities, including hedge fund or pooled vehicle interests.

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by EFA) will be profitable or equal any specific performance level(s).

### **Please Note: Options Transactions**

Although the intent of the options-related transactions that may be implemented by EFA is to produce current income and/or to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct EFA, in writing, not to employ any or all such strategies for his/her/their/its accounts.

### **Please Note: Use of Margin**

To the extent that a client authorizes the use of margin, and margin is thereafter employed by EFA in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to EFA may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential ***conflict of interest*** whereby the client's decision to employ margin will correspondingly increase the management fee payable to EFA. Accordingly, the decision to employ margin is left totally to the discretion of the client.

### **Disciplinary Information**

Neither EFA nor its investment advisory representatives have any disciplinary information to report.

## Other Financial Industry Activities and Affiliations

### Insurance Agents.

Certain of EFA's *Advisory Affiliates*, in their individual capacities, are also licensed insurance agents with various insurance companies. As such they may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While EFA does not sell such insurance products to its investment advisory clients, EFA does permit its *Advisory Affiliates*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients.

A conflict of interest exists to the extent that EFA recommends the purchase of insurance products where EFA's *Advisory Affiliates* receive insurance commissions; however, no advisory client is under obligation to retain EFA's *Advisory Affiliates* for these additional services unless it fits their financial goals, strategies and/or objectives.



## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

In accordance with Section 204A and 204A-1 of the Investment Advisers Act of 1940, EFA maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by EFA. This investment policy is part of EFA's overall Code of Ethics, which serves to establish a standard of business conduct for all of EFA's Associated Persons that is based upon fundamental principles of openness, integrity, honesty, and trust.

EFA's Code requires that all employees conduct themselves with integrity and dignity and act in an ethical manner in dealings with the public, clients, customers, employers, employees, and fellow financial professionals. The Code of Ethics also addresses the issues of personal securities transactions, the confidentiality of and the safeguarding of client information, the payment or receipt of gifts by EFA or its associated persons and the prohibition of the use of inside information. The Code also mandates the initial, annual, and quarterly reporting of personal securities transactions. If an employee does not comply with the Code of Ethics, the employee may receive disciplinary action including termination of employment. A copy of EFA's Code of Ethics is available for clients upon request.

## Brokerage Practices

### Brokerage Practices - Generally

In general, EFA recommends the use of Fidelity Investment Services, Inc. (“Fidelity”), or TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC (“TD Ameritrade”). Factors which EFA considers in recommending *Fidelity* or *TD Ameritrade* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. *Fidelity* and *TD Ameritrade* enable EFA to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* or *TD Ameritrade* may be higher or lower than those charged by other broker-dealers.

Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over the counter or in bonds are affected on their behalf through the broker-dealer on an agency basis. This is a trade away fee which is imposed when the firm uses a broker-dealer away from the custodian. Broker custody of client assets may limit or eliminate EFA’s ability to obtain best price and execution of transactions in over-the-counter securities.

### **A. Soft Dollars**

Edge has no soft dollar arrangements with any broker-dealer to effect its clients’ securities transactions through that broker-dealer. Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist EFA in its investment decision-making process. Such research generally will be used to service all of EFA’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

The commissions paid by EFA clients will comply with EFA’s duty to obtain “best execution.” However, despite where EFA has determined, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services, a client may pay a commission that is higher than another qualified broker-dealer might charge for the same transaction. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including

the value of research provided, execution capability, commission rates, and responsiveness. Therefore while EFA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

Although it is not a material consideration when determining whether a client would benefit from utilizing the services of a particular broker-dealer/custodian, EFA may receive from *Fidelity* or *TD Ameritrade*, without cost (and/or at a discount) support services and/or products that would help EFA to better monitor and service client accounts maintained by that particular broker-dealer/custodian. Included within the support services that may be obtained by EFA are the following: investment-related research, pricing information, market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or software, and/or other products used by EFA in furtherance of its investment advisory business operations.

As indicated above, some support services and/or products *may* be received to assist EFA in managing and administering client accounts. Others do not directly provide such assistance, but rather assist EFA to manage and further develop its business enterprise. EFA's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* or *TD Ameritrade* as a result of this arrangement. There is no corresponding commitment made by EFA to *Fidelity* or *TD Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other products as a result of the above arrangement.

## **B. Directed Brokerage**

If the client requests EFA to arrange for the execution of securities brokerage transactions for the client's account, EFA will direct such transactions through broker-dealers that EFA reasonably believes will produce best execution. EFA will periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

The client may direct EFA in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and EFA will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by EFA (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the account than would otherwise be the case. Subject to its duty of best execution, EFA may decline a client's request to direct brokerage if, in EFA's sole discretion, such directed brokerage

arrangements would result in additional operational difficulties.

### **C. Trade Aggregation**

Transactions for each client generally will be effected independently, unless EFA decides to purchase or sell the same securities for several clients at approximately the same time. EFA may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among EFA’s clients’ differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among EFA’s clients pro rata to the purchase and sale orders placed for each client on any given day. Clients’ transaction costs, however, are a function of their commission schedule based upon trading volume, asset size or confirmation receipt method. Therefore, not all clients will pay the same commission price per trade on a blocked trade.

To the extent that EFA determines to aggregate client orders for the purchase or sale of securities, including securities in which EFA’s *Advisory Affiliate(s)* may invest, EFA shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. EFA shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that EFA determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of other order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in chase; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, EFA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **D. Trade Errors**

EFA corrects all trade errors through a Trade Error Account at Fidelity or TD Ameritrade.

Fidelity will net gains and losses on such errors through that Error Account. Therefore, EFA's account will pay for any loss for an incorrect trade' conversely. However, if there are any gains on the trade, Fidelity will donate to a designated charity.

Similarly, for TD Ameritrade, all errors are corrected through an error account and any gains are donated to charity.

#### **E. Brokerage for Client Referrals**

Edge has no arrangements whereby it directs brokerage to certain broker-dealers in exchange for client referrals.

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

From time to time, securities held in the accounts of clients will be subject of class action lawsuits. EFA has no obligation to determine if securities held by the 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, EFA 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 EFA 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 if the client has authorized contact in this manner.

In addition, representatives of EFA may receive payments from the various hedge funds in which EFA's clients are invested. However, all fees or commissions received in these arrangements are rebated back to the appropriate client in full, after broker-dealer fees are applied, and neither EFA nor any of its representatives keeps any portion of the described payments. EFA's Chief Compliance Officer, Jeremy Schletz remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

## **Review of Accounts**

EFA monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Principals of EFA, Edward James Meek, John M. Smith IV, Jeremy Schletz, and Nate Bosek. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with their adviser and to keep Edge informed of any changes thereto. EFA will contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Edge provides investment advisory services will also receive a report from Edge that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. We urge our clients to carefully compare the information provided on these statements with custodial statements to ensure that all accounts transactions, holdings, and values are correct and current.

## **Client Referrals and Other Compensation**

EFA engages independent solicitors to provide client referrals. If a client is referred to EFA by a solicitor, this practice is disclosed in writing by the solicitor to the client and EFA pays the Solicitor out of its portion of the advisory fee charged to the client. Specifically, EFA pays the Solicitor a percentage of the advisory fees earned for managing the assets of the client that was referred. Referral arrangements between advisers and solicitors are strictly regulated under applicable federal and state law, particularly Rule 206(4)-3 under the Investment Adviser's Act of 1940, as amended.

EFA may receive client referrals from Indyfin LLC (Indyfin"). Indyfin is independent of and unaffiliated with EFA and there is no employee relationship between them. Indyfin does not supervise EFA and has no responsibility for EFA's management of client portfolios or EFA's other advisory services. EFA pays Indyfin an ongoing fee for each successful client referral. This fee is a percentage of the advisory fee that the client pays EFA. EFA does not charge clients referred through Indyfin any fees or costs higher than its standard fee.

In addition, as disclosed in Item 10, certain advisory affiliates of EFA are licensed as insurance agents and will receive a commission on any policies that are placed with an advisory client or with non-clients.

## **Custody**

EFA does not accept custody of any client assets. All assets under EFA's management are held at a qualified custodian. Clients receive statements at least quarterly directly from the custodian. In addition to the periodic statements that clients receive directly from their custodians, EFA also provides account statements to its clients on a quarterly basis. EFA urges its clients to carefully compare the information provided on these statements with custodial statements to ensure that all accounts transactions, holdings, and values are correct and current.



### **Investment Discretion**

Advisory services provided by EFA will be on either a discretionary or non-discretionary basis as determined by the client and evidenced via a written and signed Investment Management Agreement. Non-discretionary in client accounts means that a client must approve in advance any transaction order to be placed by EFA on the client's behalf.

### **Voting Client Securities**

As a matter of firm policy, EFA does not vote client securities on behalf of clients. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. However, at the client's request, EFA may offer clients advice regarding corporate actions and the exercise of proxy voting rights.

### **Financial Information**

Neither EFA nor any of its management personnel has been the subject of a bankruptcy petition at any time during the past ten years.

## **Additional Information/Privacy Policy**

### **EDGE FINANCIAL ADVISORS, LLC PRIVACY NOTICE**

Edge Financial Advisors, LLC (referred to as “Edge”) maintains physical, electronic, and procedural safeguards that comply with federal standards to protect its clients’ nonpublic personal information (“information”). Through this policy and its underlying procedures, Edge attempts to secure the confidentiality of customer records and information and protect against anticipated threats or hazards to the security or integrity of customer records and information.

It is the policy of Edge to restrict access to all current and former clients’ information (i.e., information and records pertaining to personal background, investment objectives, financial situation, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information in order to provide products or services to the client. Edge may disclose the client’s information if Edge is: (1) previously authorized to disclose the information to individuals and/or entities not affiliated with Edge, including, but not limited to the client’s other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment adviser, account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with the parameters of applicable federal and/or state privacy regulations. The disclosure of information contained in any document completed by the client for processing and/or transmittal by Edge in order to facilitate the commencement/continuation/termination of a business relationship between the client and a nonaffiliated third party service provider (i.e., broker-dealer, investment adviser, account custodian, insurance company, etc.), including information contained in any document completed and/or executed by the client for Edge (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider.

Edge permits only authorized employees and affiliates who have signed a copy of Edge’s Privacy Policy to have access to client information. Employees violating Edge’s Privacy Policy will be subject to Edge’s disciplinary process. Additionally, whenever Edge hires other organizations to provide services to Edge’s clients, Edge will require them to sign confidentiality agreements and/or the Privacy Policy.

Edge shall notify any client, at no charge, if there has been a breach of the security of the adviser’s information data system following discovery of the breach. The disclosure notification shall be made in the most expedient way possible and without delay after the breach. The notification may be done by written or, electronic notice. The disclosure notification shall include but not be limited to:

- i) informing the owner of the data (the client) that a breach has occurred along with the date or approximate date of the beach, ii) informing the client of the nature of the breach, and iii) informing the client of the steps the adviser has taken or plans to take relating to the breach.

Should you have any questions regarding the above, please contact Ed Meek at the Edge office at 630-221-1000.