
Item 1 – Cover Page

Brochure

Crescent Advisor Group, Inc.

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Plano, Texas 75093
972-490-0150

December 22, 2023

This Brochure provides information about the qualifications and business practices of Crescent Advisor Group, Inc. (“CAG,” “us,” “we” or “our”). When we use the words “you,” “your” and “client” we are referring to you as our client or our prospective client. We use the term “supervised person” when referring to our officers, employees, and all individuals providing investment advice on behalf of CAG. If you have any questions about the contents of this Brochure, please contact us at 972-490-0150 . The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

CAG is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by CAG, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain CAG as your adviser.

Additional information about CAG also is available on the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered, as investment adviser representatives of CAG.

Item 2 - Material Changes

Please note that all of the “material changes” made to this Brochure since our last delivery or posting of the Brochure on the SEC’s public disclosure website (“[IAPD](https://www.adviserinfo.sec.gov)”) www.adviserinfo.sec.gov, are set forth below:

- There have been no material changes since our last Brochure dated December 6, 2022

Changes reflected in this version of this Brochure include a number of formatting and editorial changes.

Currently, our Brochure may be requested by contacting Travis Nick Duren, President at 972-490-0150.

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Item 4 – Advisory Business

Ownership

Crescent Advisor Group, Inc. ("CAG" or the "Firm") is registered with the SEC as an investment adviser, and notice filed in various state jurisdictions. The Firm is owned 100% by D2 Equity Holdings. CAG was formed as a Texas corporation in April 2001, and has engaged in the investment advisory business since April 2002. CAG also does business as Castle Financial, LLC, Lowell Wealth Management, Hast Financial Group, Integrity Capital Advisory, LLC, and Valad Plus Investment Advisors.

Services Offered

CAG offers the following advisory services:

- Financial planning services
- Portfolio management services for individuals and/or small businesses
- Portfolio management for businesses or institutional clients (other than investment companies)
- Pension consulting services
- Selection of other advisers (including private fund managers)

Investment Products

CAG may offer advice on the following as well as the foreign equivalents of the following investment products:

- Equity Securities (exchange-listed, over the counter, foreign issuers)
- Investment Company Securities (mutual fund shares)
- Currencies
- Derivatives
- Private placement partnerships
- Limited partnership interests.
- Fixed Income Securities (Municipal and Corporate Bonds, U.S. Treasury Securities)

Overview of Services Offered

Portfolio Management Services

We provide advisory services by providing portfolio management services include the allocation of assets among investment managers in alternative investment strategies, cash, equity and fixed income securities, other security types, and private placement limited partnerships.

Clients of CAG may impose investment restrictions that generally relate to asset mix, individual securities, or investment characteristics (e.g., debt rating, foreign investments, or social issues). Any investment restrictions placed on an account are agreed upon in advance with each client.

CAG employs an extensive due diligence process in evaluating other investment managers. Such due diligence may include an analysis of their stated investment style, personal interviews

with the managers, and onsite inspections of offices and facilities of the managers. CAG relies primarily upon technical and fundamental analysis when evaluating individual companies.

The processes we utilize to develop the financial solutions for our clients include a mixture of the following:

Financial Planning

We offer planning for clients and the fee is included in our portfolio management fee. We do not charge an additional fee for those services. We offer cash & debt management, education planning, retirement planning, portfolio management, risk management, estate planning, and tax planning. In the absence of a portfolio management fee, we may charge an hourly rate for these services.

Third Party Investment Adviser Services

CAG may use the services of third-party investment advisors as sub-advisors. If we choose this option, we will select a third-party investment advisor whose style and talent best fit your individual needs and objectives. Your agreement with us gives us the authority to hire or fire these managers on your behalf. Once a third-party investment advisor is selected, we will continue to monitor their performance. If our services to you include the use of these third-party investment advisors, you will typically sign an agreement with them in addition to the advisory agreement you will sign with CAG. If you are interested in learning more about any of these third-party investment advisors and their services, a complete description of their programs, services, fees, payment structure and termination features are found in their service disclosure brochures, investment advisory contracts, and account opening documents. Our advisory responsibility is to select and monitor any third-party investment advisor that provides services to us. Factors that we consider in their selection may include:

- Their size
- How long they have been in business
- The experience level and turnover of their portfolio managers
- A review of their historical performance and risk measurements
- A review of their disclosure documents

In deciding to use a third-party investment adviser to manage your assets, we consider your risk tolerance, goals, objectives, time horizons, and general financial situation. We also consider your level of investment experience and the assets you have available for investment. If you were to go to these third-party investment advisors on your own, the fees they charge you may be more or less than going through us. However, when using their services directly, you will not receive our expertise in developing an investment strategy, selecting the third-party investment advisors to use, monitoring the performance of your account, and changing third-party investment advisors if needed.

Assets Under Management

As of September 30, 2023, CAG managed \$168,690,597 in client assets on a discretionary basis and \$71,995,540 on a non-discretionary basis.

Wrap Programs

CAG does not participate in any wrap fee programs.

Retirement Accounts – DOL Disclosure

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”) and/or the Internal Revenue Code (“Code”), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as (“Retirement Accounts”).

To ensure that CAG will adhere to fiduciary norms and basic standards of fair dealing with respect to Retirement Accounts, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of CAG.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, 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; and
- Charge no more than is reasonable for our services; and give you basic information about conflicts of interest.

Education

All personnel of CAG are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See ADV Form Part 2B for additional information.

Item 5 – Fees and Compensation

Overview of Fees

CAG's fee shall be calculated by multiplying the Assets Under Management ("AUM") by the appropriate amount as set out in the table below and dividing such product by four (4). Fees are payable monthly or quarterly, in arrears and such fees may be deducted from the client's account(s), monthly or quarterly, within fifteen (15) days following the beginning of the month or quarter for which said fees will be earned. For purposes of computing the Advisory Fee, the AUM shall include all securities and cash that are being managed in the client account, and the portfolio value of the AUM shall be based on the market value of the securities as of the last day of the month preceding the respective month or quarter for which the payment is to be made. Advisory fees will vary depending upon the investment manager. The schedule of advisory fees will be contained in the investment advisory agreement between the client and CAG. Our basic fee structures are as follows:

Value Advisor Plus

<u>Equity / Funds</u>	<u>Debt Instruments</u>
1.00%	.60%

Standard Fees

Net Worth of Account	% Fee Charged
\$0 - \$249,999.99	2.50%
\$250,000.00 - \$499,999.99	2.25%
\$500,000.00 - \$999,999.99	2.00%
Over \$1,000,000.00	Negotiable

Crescent Advisor Group, Inc. may maintain a Limited Power of Attorney for Managed Accounts for the purposes of directing and or otherwise effecting investments on behalf of Managed Accounts, for the direct payment of CAG's fees, and for other charges incurred by the Managed Account.

In addition to advisory fees, Managed Accounts may incur transaction costs and/or custodian fees. Refer to Item 12 (Brokerage Practices) for more details.

Type of Compensation

Based on the investment services provided CAG is compensated based upon a percentage of assets under management. Clients generally authorize us to directly debit fees from their accounts.

Third Party Investment Adviser Services

The fees payable to CAG for third-party advisory services will depend upon the fee arrangement between CAG and the third-party advisor to whom you are referred. We will either share in the fee paid by you to the third-party advisor or charge a fee that is in addition to the fee paid to the third-party advisor. Clients will receive a full disclosure of the fee schedule, including fees received by CAG, and the services to be provided to you by CAG and the third-party advisor in the investment advisory agreement between the parties, and the relevant third-party advisor's brochure or equivalent disclosure document and privacy policy, prior to placing the assets with the third-party advisor selected. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the equivalent wrap fee brochure provided by the sponsor of the program.

The basic fee schedule for these services will vary based on the third-party advisor chosen to provide this service. The fee will be based on the amount of assets managed and could be negotiable. Such compensation differs depending upon the individual agreement we have with each third-party advisor.

Transaction Costs

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. See also "*Brokerage Practices and Referral Arrangements and Other Compensation*" for a description of additional compensation received by CAG and for a description of factors that CAG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

See also "*Other Financial Industry Activities and Affiliation, Brokerage Practices and Client Referrals and Other Compensation*" below for a description of additional compensation received by CAG, a description of factors that CAG considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions), and potential conflicts of interests related to certain affiliations.

Termination

The relationship between parties may be terminated by either party upon 30 days' written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment adviser, then the client has the right to terminate the relationship, without penalty, within five (5) business days after entering into the agreement.

Transitioning Brokerage Accounts to Advisory Accounts

Cost comparisons are difficult with regards to assets held in brokerage accounts with our affiliate, Crescent Securities Group, Inc. (“Crescent Securities”), and assets held subject to our investment advisory services. Depending on the level of trading and types of securities purchased or sold in your brokerage account, if purchased separately, and unmanaged, you may be able to obtain overall transaction costs at a higher or lower cost than the Advisory Fee charged by CAG. However, transactions could not be executed on a discretionary basis in a brokerage account. Clients who participate in the programs described in this Brochure pay a fee based on the market value of the account for a variety of services, and accordingly may pay more or less for such services than if they purchased such services separately (to the extent that such services would be available separately to the client). Furthermore, the same or similar services to those available in these programs may be available at a lower fee in programs offered by other investment advisors. By changing your account from a brokerage account into a fee-based advisory account, your mutual fund shares will convert to the advisory share class (if available), which, in general will further lower overall costs. However, in exchange for advisory services you will receive, you will pay an additional asset-based fee which you would not pay in a brokerage account.

You should consider these and other differences when deciding whether to invest in an investment advisory or a brokerage account and, if applicable, which advisory programs best suit your individual needs. Finally, you are encouraged to contact us to the extent you have questions about the differences between your brokerage account at Crescent Securities and an advisory account with CAG.

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

CAG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in side-by-side management.

Item 7 – Types of Clients

We offer portfolio management investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- Pension and profit-sharing plans (other than participants)
- Trusts
- Estates
- Corporations
- Insurance Companies
- 401k plans and IRA’s (individual and family members)
- Non-profits

Corporations Account Minimum Requirements

By adhering to certain account sizes, CAG is able to provide focus on a select few relationships. CAG generally requires that clients have a minimum assets under management of \$100,000. CAG reserves the right to accept clients with smaller amounts.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Analysis Methods

Security analysis methods utilized by CAG include the following:

Charting

Charting analysis seeks to identify resistance and support reference prices for decisions to buy (price hits the support) or sell (price hits the resistance). Through charting, the analysis seeks to identify price patterns and market trends in financial markets. Charting may apply to long-term investing or be used as a market-timing strategy, depending on the time-frame of the price charts.

Fundamental

Fundamental analysis maintains that markets may misprice a security in the short run, but that the correct price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses: financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

Technical

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

Cyclical

Cyclical analysis generally targets cyclical stocks for purchase of equity securities when the ratio of price-to-earnings (P/E Ratio) is low, and sell them when the P/E Ratio is high (i.e. when earnings are peaking). The P/E Ratio is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

Sources of Information

The main sources of information that CAG uses to analyze these investment strategies is:

- Financial newspapers and magazines
- Inspections of corporate activities
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Other sources of information that we may use include information obtained from the internet.

Investment Strategies

The investment strategies CAG uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales and margin transactions

Investment Strategy Risks

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Our investment approach seeks to keep the risk of loss in mind. Investors face the following investment risks:

General Risks

Lack of Diversification: Portfolio investments may be concentrated, and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

Cash and Cash Equivalents: Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

Interest Rate Fluctuation: The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

Long term Purchases (securities held at least a year)

Liquidity: The portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

Short term purchases (securities sold within a year)

Market Risks: The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

Trading (securities sold within 30 days)

Market Risks: The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities

traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for various reasons, including other market participants developing similar programs or techniques.

Investments in a Concentrated Number of Securities or in Only One Industry Sector, or in Only a Few Sectors: When strategies invest in a concentrated number of securities, a decline in the value of these securities would cause your overall account value to decline to a greater degree than that of a less concentrated portfolio. Strategies that invest a significant percentage of assets in only one industry sector, or in only a few sectors, are more vulnerable to price fluctuation than strategies that diversify among a broad range of sectors.

Trading is Speculative: There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

Turnover: Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

Margin Risk

Leverage: We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a margin call may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would affect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

Risks Relating to Derivatives and Complex or Alternative Investment Strategies

Alternative investment strategies that utilize non-traditional or complex investment strategies and/or derivatives for both hedging and more speculative purposes, can increase volatility and the risk of investment loss. Non-traditional investment options and strategies are often employed by a portfolio manager to further a portfolio's investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand all of the essential characteristics and risks, and how it will perform in different

market environments and over various periods of time. They may also expose the portfolio to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or “leverage.”

Other Investment Risks

Risks Relating to Differing Classes of Securities

Different classes of securities have different rights as creditor if the issuer files for bankruptcy or reorganization. For example, bondholders’ rights generally are more favorable than shareholders’ rights in a bankruptcy or reorganization.

Small Capitalization Issuers

Such companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

Money Market Funds

You could lose money in MMFs. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. Moreover, in certain circumstances, money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund’s holdings are liquidated and distributed to the fund’s shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals and, if applicable, check writing or ATM debits from your account.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains, in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ

significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CAG or the integrity of CAG's management.

On March 13, 2007, CAG was reprimanded for permitting an individual to render investment advisory services while not registered. Additional information is available on the SEC's website at www.adviserinfo.sec.gov.

Item 10 – Other Financial Industry Activities and Affiliations

Crescent Securities Group, Inc., Affiliated Broker-Dealer

Crescent Securities Group, Inc. is registered as a broker-dealer with the SEC and various state jurisdictions, and a member firm of the Financial Industry Regulatory Authority ("FINRA"). Crescent Securities Group, Inc. is affiliated to CAG through common ownership and control.

Clients have the option to designate the broker-dealer utilized, including the utilization of Crescent Securities as the broker-dealer for the execution of securities transactions by the client's money managers. We may utilize the brokerage services of Crescent Securities to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by Crescent Securities Group, Inc. Compensation will be received by Crescent Securities as a broker dealer when portfolio transactions are effected on behalf of investment advisory clients. See *Brokerage Practices and Client Referrals and Other Compensation* for a discussion of the conflict so interest and compensation related to these relationships.

Insurance Agency

Certain advisory representatives of CAG participate in the ownership of Sovereign Equity Insurance Agency LLC. ("Sovereign"), an insurance agency appointed by various life, health, and disability insurance companies. When advisory representatives sell insurance products to our Clients, such transactions are made through Sovereign. As a result, Sovereign participates in the

insurance commissions generated by such transactions. While insurance services are separate and distinct from the portfolio management, financial planning and other services provided by CAG, the sale of insurance products through our advisory representatives and or Sovereign to our advisory clients does create a conflict of interest, due to the compensation paid to Sovereign and or our advisory representatives as a result of those transactions. Clients are under no obligation to act upon any recommendations or purchase any insurance products through Sovereign or our advisory representatives, you are encouraged to ask them about any conflict presented. Notwithstanding the above, insurance products that generate a commission are not included in the assets under management by Sovereign or our advisory representatives.

Accounting Firm

Victor DiMaggio is an advisory representative, accountant and employee of a Certified Public Accounting Firm, and as such can provide accounting services to our advisory clients as a result of this relationship. This creates a potential conflict of interest as to your representation as an accounting client and advisory client. Notwithstanding such conflict of interest, we address such relationships in accordance with our fiduciary duty as your adviser, and in accordance with the professional code of conduct governing accounting activities. To this end you will be disclosed in advance as to any conflict, and the related compensation. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

Law Firm

David Evaul is a licensed attorney. This creates a potential conflict of interest as to your representation as a legal client and advisory client. Notwithstanding such conflict of interest, we address such relationships in accordance with our fiduciary duty as your adviser, and in accordance with the professional code of conduct governing the practice of law, and to this end you will be disclosed in advance as to any conflict, and the related compensation. At no time will there be *tying* between business practices and/or services.

Third Party Investment Adviser Activities

A related person of CAG is affiliated with, and owns a non-affiliated registered investment adviser. This creates a potential conflict of interest as to your representation as an advisory client of CAG and the activities of the third-party investment adviser. Notwithstanding such conflict of interest, we address such relationships in accordance with our fiduciary duty as your adviser, and to this end the third-party adviser will have no active role regarding your investment portfolio at CAG; however, should that change, you will be advised of any conflict and related compensation, if any.

Other Activities

CAG and certain of its principal executive officers may engage in the following activities:

- As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, CAG may occasionally buy securities for itself from or sell

securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. CAG can purchase initial public offerings for certain advisory client accounts who have expressed an interest in the purchase of these issues. CAG has procedures in place to include its current practice of allocating these offerings.

- As a broker or agent, effecting securities transactions through CAG for compensation for advisory clients of CAG and registered investment advisers, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.
- As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage customer.
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has a financial interest.
- Buying or selling for itself securities that it also recommends to clients.

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

General

CAG has adopted a Code of Ethics for all of our supervised persons describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CAG must acknowledge the terms of the Code of Ethics annually, or as amended.

CAG anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which CAG, its affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of CAG and its affiliates are allowed to trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CAG will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of certain

transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in certain circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between CAG and its clients.

Personal Trading

CAG and our related persons are allowed to purchase and sell securities for their own account. To prevent conflicts of interest, all employees of CAG must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.,

Certain affiliated accounts are allowed to trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

CAG's clients or prospective clients may request a copy of our Code of Ethics by contacting Travis Nick Duren.

Cross Trades

It is CAG's policy that we will not affect any principal or agency cross securities transactions for client accounts. We will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the

transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Insider Information

Further, the Code of Ethics and our Compliance Manual impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or supervised person of CAG.

Item 12 – Brokerage Practices

General

CAG may offer the brokerage services of Crescent Securities Group, Inc. to its clients, but our clients are not required to utilize the services of Crescent Securities, or direct their money manager to execute transactions through Crescent Securities; however, it is the policy of CAG to effect all possible transactions through Crescent Securities. Furthermore, the client's money managers have discretion to use Crescent Securities or any other broker dealer depending on where the manager gets best execution.

Best Execution

Transaction rates for trades executed through CAG may not always be as favorable as those that could be obtained if transactions were executed through another broker-dealer. The fact that CAG's clients are likely to use an affiliated broker to execute transactions presents a potential conflict of interest in that CAG's personnel will receive additional compensation in their capacity as Broker. Such transactions could create a conflict of interest because CAG has a duty to obtain the most favorable price for advisory clients while its registered representatives of the affiliated broker dealer, have a duty to obtain the most favorable price for their brokerage customers. Accordingly, in engaging in cross transactions, CAG will follow procedures designed to ensure that all parties to the transaction receive at least as favorable a price as would be received if the transaction were executed on the open market.

Directed Brokerage

If requested by the client, CAG will place all or a portion of the transactions with a broker with whom the client has a special advisory or consulting relationship. Such transactions are placed with a broker who may have provided manager selection services, performance measurement services, asset allocation services, or a variety of other consulting or monitoring assistance, all with the specific knowledge and full approval of the client.

CAG does not maintain agreements with referring brokers regarding our internal allocation of brokerage transactions. However, all or a sizable portion of a particular clients' brokerage transaction business will be directed to a particular broker if the client has directed, agreed or stipulated us to do so. Commissions are not intended to compensate brokers for client referrals.

With regard to client directed brokerage, we are required to disclose that they may be unable to negotiate commissions, block or batch client orders or otherwise achieve the benefits described

above, including best execution, if you limit our brokerage discretion. Directed brokerage commission rates may be higher than the rates CAG might pay for transactions in non-directed accounts.

Also, clients that restrict our brokerage discretion can be disadvantaged in obtaining allocations of new issues of securities that we purchase or recommend for purchase in other clients' accounts. It is our policy that such accounts do not participate in allocations of new issues of securities obtained through brokers and dealers other than those designated by the client. As a general rule, we encourage each client to compare the possible costs or disadvantages of directed brokerage against the value of the custodial or other services provided by the broker to the client in exchange for the directed broker designation.

Trade Aggregation

CAG aggregates the purchase and sale orders for securities for various client accounts whenever possible. Because each account is managed on an individual basis, it may not be possible to aggregate purchase and sale orders with orders for other accounts. When this occurs, it will result in some clients receiving more favorable pricing than others, particularly for illiquid securities or during volatile market conditions.

Soft Dollar Arrangements

We receive from Custodians, without cost, software and support which allows the Firm to better monitor and service client accounts, including assistance with invoicing, trade execution and recordkeeping. Beyond those services, neither our Firm, nor our owners, officers, partners, directors, employees, Supervised Persons, or persons holding similar status, receive other soft dollar benefits in connection with your security transactions or custodial arrangements with the custodian.

Item 13 – Review of Accounts

Account Review

Travis Nick Duren or his designee will review a sample of accounts on a quarterly basis and compare each investment on a transaction basis to insure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement. More frequent reviews can be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

Reports

CAG clients receive brokerage transaction confirmations and monthly statements from the custodian of the account.

Trade Errors

In the event of a trade error in your account, our policy is to attempt to correct trading errors as soon as they are discovered; however, the Firm is not responsible for execution or trading errors

committed by the brokers with which it transacts, unless such errors resulted from CAG's negligence, fraud or willful misconduct. Notwithstanding the above, based on the circumstances, corrective actions generally include:

- canceling the trade;
- adjusting an allocation and/or;
- reimbursement to the account.

Item 14 – Client Referrals and Other Compensation

Client Referrals

CAG does not utilize or pay third party solicitors for the referral of advisory clients to us.

Brokerage Compensation

Affiliated Broker-Dealer

Crescent Securities Group, Inc. is generally used to execute portfolio transactions for investment advisory clients, at the discretion of the client. Clients will pay Crescent Securities transaction fees such as commissions, commission equivalents, mark-ups, or mark-downs and Custodian's service fee on securities transactions. Thus, Crescent Securities, as a broker-dealer, receives compensation when portfolio transactions are effected on behalf of our clients or the client's third-party money manager. Additionally, our Supervised Persons who are registered with both Crescent Securities and us, generally receive a benefit in the form of commissions for securities. Notwithstanding the above, these transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by Crescent Securities and its registered representatives.

Thus, CAG has an indirect financial interest in executing such transactions because Crescent Securities is a wholly owned subsidiary of CAG, and Crescent Securities and CAG personnel can earn compensation from transaction and other fees in connection with these transactions. Notwithstanding the above, these transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by Crescent Securities and its registered representatives.

Directed Brokerage

While not a requirement for being recommended to function as a registered investment adviser, investment manager or sub-manager for our advisory clients, we may recommend that advisory clients utilize registered investment advisers, investment managers and or sub-managers who utilize us for custody and execution services through the Custodian. While this allows us to control transaction costs, Crescent Securities may receive commissions from transactions executed in such accounts. Additionally, (i) Crescent Securities receives brokerage commissions for trading on behalf of the clients of third party manager's institutional clients, who are not direct clients of ours, and whose assets are custodied outside of Hilltop Securities; and (ii) certain third party managers have caused certain of their clients to open brokerage and advisory accounts with Crescent Securities, for which Crescent Securities receives commissions, other fees and or

advisory fees, based on the respective relationship between Crescent Securities and such third party money managers. To the extent such relationship exists between us and such third-party money manager, our advisory client will be advised of such relationship and the related conflict of interest.

Other Compensation

When providing financial planning or consulting services, your advisory representative may recommend that you purchase certain securities or insurance products. If this occurs, your advisory representative is doing so as a registered representative of a broker-dealer or as a licensed insurance agent. The advisory representative will receive compensation in the form of commissions if you act on these recommendations. You are never under any obligation to purchase products or services recommended by us. You always have the option of purchasing them through other brokers or agents who are not affiliated with us.

Item 15 – Custody

Selection of Custodian

Crescent Securities clears its securities transactions on a fully disclosed basis through Hilltop Securities, Inc. (“Hilltop Securities”). CAG uses Hilltop Securities as a custodian, in addition to Charles Schwab & Co, Inc. and Axos Advisor Services (“Axos”) Hilltop Securities, Axos, and Schwab are collectively referred to herein sometimes as “Custodian(s).” Hilltop Securities, Axos, and Schwab are the qualified custodians for our clients electing to use our trade execution platform. Hilltop Securities, Axos, and Schwab were selected as an executing and clearing broker based upon, among other things, their financial solvency and credibility, their level of customer service, trade execution capability, managed account trading desk, reputation, and cost of services provided. Regardless of our recommendation regarding the Custodians, clients have the ability to direct us to utilize other custodians. See *Brokerage Practices, Other Financial Industry Activities and Affiliations, and Client Referrals and Other Compensation*.

Statements

You should receive at least quarterly statements from the Custodian, bank or other qualified custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we or your money manager may provide to you, if any.

Custody Overview

Custody Rule

The Custody Rule provides that it is a fraudulent, deceptive or manipulative act, practice or course of business within the meaning of Section 206(4) of the Advisers Act for an investment adviser that is registered or required to be registered under the Advisers Act to have custody of client funds or securities unless they are maintained in accordance with the requirements of the rule. In this regard, where an investment adviser has custody of client funds or securities, it must

obtain a surprise examination of client assets by an independent public accountant registered with the Public Company Accounting Oversight Board. (“PCAOB”).

Invoicing

CAG is deemed to have custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because CAG has written authorization from each client to deduct advisory fees from the account held with the qualified custodian and each time a fee is directly deducted from a client account, we concurrently send the Custodian an invoice or statement of the amount of the fee to be deducted from the client’s account.

Standing Letters of Authority

CAG has been deemed to have inadvertent custody as a result of your providing us with Standing Letters of Authorization (“SLOA(s)”) to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, CAG confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) Hilltop Securities, Schwab, or Axos performs appropriate verification of the instruction, such as a signature review or other method to verify the your authorization, and Hilltop Securities, Schwab, or Axos provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to Hilltop Securities, Schwab, or Axos (5) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the your instruction; (6) we maintain records showing that the third party is not a related party of CAG or located at the same address as CAG; and (7) Hilltop Securities, Schwab, or Axos sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 – Investment Discretion

Discretionary Authority

We usually receive discretionary authority from you at the outset of an advisory relationship. That discretionary authority allows us to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities.

Documentation of Discretion

Discretionary authority is provided in our contract with each client. Additionally, we maintain a Limited Power of Attorney for all our discretionary accounts for the purpose of directing and or effecting investments, for the direct payment of fees and or the payment of commissions, custodial fees and or other charges incurred by the managed account.

Discretionary Management

In all cases, however, our discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account. Thus, when selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which it advises. Additionally, in many cases, the discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. Investment guidelines and restrictions must be provided to CAG in writing.

Non-discretionary Management

With respect to our non-discretionary services, the client makes the ultimate decision regarding the clients' portfolio investment holdings, including the purchase and or sale of those investments.

Item 17 – Voting Client Securities

As a matter of our policy and practice, CAG does not have any authority to and does not vote proxies on behalf of advisory clients. Client's retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about financial condition which would impede our ability to provide the advisory services described herein. CAG 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.

Item 20 – Other Information

Privacy Notice to Customers

At CAG, we do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced or improved products or services we provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

Business Continuity Plan

CAG has developed a Business Continuity Plan to address how we will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, we will have to be flexible in responding to the events as they occur. This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business

locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.

Varying Disruptions – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing CAG, the business district where we are located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only us or a building housing us, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with Hilltop Securities, Schwab, or Axos on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm or custodians, if necessary.

If you have questions about our Business Continuity Plan, please feel free to contact us.