



**Form ADV Part 2A Appendix 1:**  
*Freedom Wrap Fee Program Brochure*

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Brochure Effective Date:

December 22, 2023

This Wrap Fee Program brochure provides information about the qualifications and business practices of Freedom Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 949-9936 or [support@freedomadvisors.com](mailto:support@freedomadvisors.com). 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.

Additional information about Freedom Investment Management, Inc. (hereinafter "Freedom") is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by entering our name or unique identifying number 126052, known as a CRD number.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

## Material Changes

This version of the Freedom Wrap Fee Program Brochure ("Brochure") dated December 22, 2023, summarizes material changes since the Brochure filing dated October 2, 2023. This Brochure replaces the firm's prior Brochure as of the effective date noted on the cover page. The Brochure contains information regarding our business practices, fees, and other relevant information that could affect a Client's account.

EQIS Capital Management, Inc. has changed its name to Freedom Investment Management, Inc.

Freedom's corporate headquarters is 100 Constitution Plz, Fl 7, Hartford Connecticut 06103.

Freedom has instituted a minimum monthly account fee of \$12.50.

We will provide an updated version of this Brochure any time there are material changes or upon a Client request, at any time, without charge. To request a complete copy of this Brochure, please contact us at 800-949-9936 or by email at [support@freedomadvisors.com](mailto:support@freedomadvisors.com).

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## Services, Fees and Compensation

Since 2003, Freedom (formerly EQIS Capital Management, Inc.) has been providing a turnkey asset management platform to an exclusive group of unaffiliated registered investment advisory firms ("Financial Advisory Firms") to introduce clients ("Clients") to Freedom through their associated financial advisors ("Financial Advisors"). As of December 31, 2022, Freedom had \$1.4 billion in assets under management.

The Freedom Program includes two program types, the Unified Managed Account Models ("UMA Models") and fund models ("Fund Models"), (collectively "Programs"). Within either UMA Models or Fund Models, Financial Advisors can utilize institutional investment portfolio models ("Institutional Models"). A Financial Advisor may also utilize the tools to design and build their own investment portfolio models ("Advisor Models"). The Institutional Models consist of a range of professionally managed models sponsored and built by a variety of institutional model providers (including Freedom and its affiliates) and monitored by Freedom, each, a third-party sub-adviser ("Sub-Adviser"). For the creation of Advisor Models, Financial Advisors have access to the same menu of models, investment strategies, funds, and securities as are available in the Institutional Models. Some Financial Advisors outsource, some build their own models, and some do both.

With the Freedom Program, the Financial Advisor serves as the liaison between Freedom and the Client. The Client's investment objective, investment time horizon, risk tolerance, and any restrictions will be identified by the Financial Advisor in consultation with the Client, which may include using the results of one or more investor profiling tools, one of which is available in the Freedom Program and can be completed as part of creating the required investment plan to include investment recommendations, investment policy, and fees, at a minimum, and to be signed by the Client and Financial Advisor ("Investment Plan"). The Client's account ("Account") is invested in accordance with the instructions provided by the Financial Advisor through the creation of the written Investment Plan. The Client's risk tolerance may be identified by the Financial Advisor in consultation with the Client or by using the results of the Client's Risk Tolerance Questionnaire ("RTQ") which may be completed as part of the Investment Plan. Risk tolerance categorizes the Client's investment risk appetite into one of five risk categories ranging from conservative to aggressive. Other factors to be considered when generating an Investment Plan include the individual needs of the Client, the Client's income, age, net worth, and such other factors as may be applicable and provided by the Client or their Financial Advisor. The Financial Advisor must consult the Clients at least annually to confirm the appropriateness of the Investment Plan. The Financial Advisor is responsible for communicating to Freedom any changes to the Client's situation, profile, or Investment Plan.

Freedom manages each Account on a discretionary basis in accordance with the written Investment Plan created by the Financial Advisor and Client, and each Client grants Freedom discretionary authority to enter trades for the Account and to make changes to the target asset allocations, models, and other investment strategies, as may be appropriate for the Account. Additionally, a Client may provide their Financial Advisor limited power of attorney granting the Financial Advisor trading and/or disbursement authority, which would authorize Freedom to accept instructions directly from the Financial Advisor regarding trading or direct disbursements for the Account.

As part of the Freedom Program offering, Freedom also provides related administrative services including, but not limited to, activity and document recordkeeping and storage, account opening, funds transfers, securities trading for portfolio construction and rebalancing, ongoing account administration in support of the Financial Advisor and Client, ongoing investment due diligence, portfolio performance reporting, and fee billing and collection not only for the Freedom Program Fee, but also for the Financial Advisory Firm's Advisory Fee, applicable Investment Management Fees, and in certain cases ancillary fees charged by the Custodian.

Financial Advisors may provide additional or other services to their Clients not described in this Brochure. Clients should read and review the Financial Advisory Firm's investment advisory agreement and Form ADV Part 2A Brochure for information regarding services provided by the Financial Advisory Firm.

Freedom offers Financial Advisory Firms a range of fiduciary arrangements to choose from. Freedom can serve as the Client's sole investment adviser ("Adviser"), share the investment adviser role with the Financial Advisory Firm ("Co-Adviser"), or serve solely in a Sub-Adviser role only for portfolio trading and processing discretion to implement the instructions of the Financial Advisory Firm. In all three types of arrangements the Financial Advisory Firm must maintain an investment advisory relationship with the Client. In all three types of arrangements, Freedom relies on the Financial Advisory Firms and their associated Financial Advisors to know the Client, and to properly categorize the Client as to investment objective, investment time horizon, risk tolerance, investment restrictions, and any other relevant information, which the Financial Advisor will use to recommend or select the appropriate investment model(s).

Freedom will not have custody of any assets in the Account. Clients investing in the Freedom Program establish for safekeeping an Account with one of the qualified custodians with which the Freedom Program is integrated (the "Custodian"). The Custodian is not affiliated with Freedom and all assets are maintained in the Client's name. Clients will receive all custodial statements at least quarterly and trade confirmations directly from the Custodian and will receive monthly performance reports from Freedom. Clients will have access to Account information and reporting through the Custodian's website and will have access to Account information through the Freedom Program. The Custodian is a broker-dealer and FINRA member and executes transactions, maintains custody of assets, and provides other brokerage, custodial, and recordkeeping services to Clients. In order to manage the Account, the Client grants to Freedom the authority to instruct the Custodian to take certain actions, including executing trades and other instructions as may be provided by Client, or the Financial Advisor if so authorized. A nominal amount of dispersion in performance results is expected between Accounts held at different Custodians due to differing trade executions.

When establishing an Account, Freedom provides all Clients an electronic document vault containing copies of performance and billing statements, account opening documents and other statements and disclosures created by or provided to Freedom. Clients may consent to receive all notices, documents, and other information related to their Account electronically. Clients who do not consent to electronic delivery of documents may incur additional fees. Clients are advised to carefully compare the information provided by Freedom with the official records provided by the Custodian.

### Fees and Compensation

Freedom charges each Client a monthly fee (the "Freedom Platform Fee") for use of the Freedom Program. The Freedom Platform Fee is calculated as a percentage of the average daily balance of the Client's Account in the prior month and is paid monthly in arrears. All Account assets, except for unaffiliated cash and non-managed holdings, will be included in calculating the billable value of the Account for purposes of computing the Freedom Platform Fee. Unaffiliated cash is defined as cash held outside of a managed portfolio. Clients have the option to pay the Freedom Platform Fee and other fees as described below either on the account level or as determined in writing by the Client, Financial Advisor, and Freedom. The average daily balance of the Client's Account is calculated using the closing market value of the Account as calculated by the Custodian for the days in which the securities markets were open for the month. In the absence of a specific market value for any security, the

fair market value for that security will be used.

Whether the UMA Models or Fund Models fee schedule applies is determined at the Account level, and the higher Program fee schedule applies. If an Account holds both a UMA Model and a Fund Model, the Account is billed according to the higher UMA Model fee schedule. If the Client wishes to take advantage of the lower Fund Model fee schedule, they are able to open a separate Account dedicated to the Fund Model(s).

All Accounts invested in all Programs in a Client household are added together in calculating the tier thresholds for the Client's Freedom Platform Fee, if the Client has authorized Accounts to be included in a household. For purposes of determining fees, a household by default includes all Accounts where the primary account owner tax identification number is the same. Clients may elect to expand the household by authorizing other Clients located at the same address to view and access their Accounts. The Freedom Platform Fee is tiered whereby the greater the assets in a household the lower the fee as a percentage of assets. The Freedom Platform Fee tiering is based on the combined assets of the Client household and the Financial Advisor's custom fee schedule with Freedom; the fee is charged pro rata dependent on the percentage of the household assets within each Freedom Program. Freedom establishes a custom fee schedule for each Financial Advisor based on the fiduciary arrangement(s) employed, as described above, and the total assets under management on the Freedom Program through the Financial Advisor. Accordingly, the Freedom Platform Fee ranges from 0.10% to 0.83% annually. For households over \$5,000,000 in assets the Freedom Platform Fee is negotiable. In a single limited case, Freedom entered into an arrangement with a Financial Advisory Firm pursuant to which Freedom increases the Freedom Platform Fee charged to Clients by 0.15% annually, all of which is then paid to the Financial Advisory Firm that has requested this fee. Therefore, the Financial Advisory Firm and its associated Financial Advisors may have a financial incentive to recommend the Freedom Program over other programs or services for which the Financial Advisory Firm does not charge this fee, if any. The specific Freedom Platform Fee charged to an Account is set forth in the Client's Investment Plan.

As part of the Freedom Program offering, Freedom also performs the administrative service of calculating, billing, collecting, and paying the fees of other participants, including the Financial Advisory Firm's Advisory Fee, any applicable Investment Management Fees, and in certain cases the custodian fee. Freedom shares in none of these fees and only performs the administrative services described. No matter the Freedom Program(s) selected, each Account minimum monthly Freedom Platform Fee will be \$12.50.

### Freedom Platform Fee – UMA Models

Unified Managed Account Models (“UMA Models”) provide the ultimate choice and flexibility with access all in one account to separate account managers, exchange traded funds and mutual funds, including the ability to combine them in a number of ways to fit client needs. This includes access to Institutional Models, as well as Advisor Models from the same menu of models, investment strategies, funds, and securities as are available in Institutional Models.

Client Household Assets at Freedom	Annual Program Fee
<\$250,000	0.30-0.83%
Next \$250,000	0.25-0.74%
Next \$1,500,000	0.20-0.70%
Next \$3,000,000	0.15-0.50%
>\$5,000,000	Negotiated

### Freedom Platform Fee – Fund Models

Fund Models consist solely of pooled investment vehicles of exchange traded funds (“ETFs”) or mutual funds sponsored and built by a select group of institutional model providers (including Freedom) and monitored by Freedom (“Institutional Models”). Typically, a model is 100% ETFs or mutual funds but may combine ETFs and mutual funds. Multiple models may be purchased in one account. Portfolios in the Fund Models program may be single-sleeve or multi-sleeve.

Client Household Assets at Freedom	Annual Program Fee
<\$250,000	0.25-0.40%
Next \$250,000	0.20-0.38%
Next \$1,500,000	0.18-0.36%
Next \$3,000,000	0.15-0.34%
>\$5,000,000	Negotiated

### Investment Management Fees:

Client shall pay various Investment Management Fees as outlined in written Investment Plans provided for each Account and requiring the Client's approval before implementation. In certain cases, there is an additional annual fee charged by Sub-Advisers that ranges from 0.10% to 0.50% of assets under management. Freedom does not charge an Investment Management Fee on pre-constructed Freedom UMA Models and Fund Models. The Investment Management Fees associated with the Freedom Models is the pro-rata aggregated fee of the underlying Sub-Advisers and are paid monthly in arrears. If a Financial Advisor constructs an Advisor Model and includes Freedom-constructed sub-asset class strategies ("Freedom Portfolios"), a Freedom fee of 0.15% does apply. The actual Investment Management Fee charged may vary due to changes in the selected Model or Program, changes in the composition of strategies within a Model, and variations in the value of Account assets affiliated with each model due to normal market fluctuations. The Investment Management Fee is calculated by Freedom, Freedom instructs the Custodian to deduct the fee from the Client's Account, and Freedom processes the payment of the fee to the applicable Sub-Adviser. Assets invested in professionally managed pooled vehicles such as exchange traded funds and mutual funds incur operating expenses within the funds, for which the Client is referred to the fund prospectus and/or other disclosure documentation regarding any internal fees or other charges.

### Advisory Fee:

The Financial Advisory Firms charge Clients a separate fee ("Advisory Fee") which is negotiated between the Client and the Financial Advisory Firm and deducted from the Client's Account. The Advisory Fee will not exceed 1.5% of the Account value per annum. All Account assets, except for unaffiliated cash, will be included by default in calculating the billable value of the Account for purposes of computing the Advisory Fee. The Financial Advisor may change the default Account assets that are applicable to the Advisory Fee with positive consent from the Client. Clients should review their Financial Advisory Firm's brochure and other disclosure documents for information regarding the fees charged. The Advisory Fee is calculated as a percentage of the average daily balance of the Client's Account and is paid monthly in arrears. The Advisory Fee is calculated by Freedom, Freedom instructs the Custodian to deduct the Advisory Fee from the Client's Account, and Freedom processes the payment of the Advisory Fee to the applicable Financial Advisory Firm.

### Other Fees and Expenses:

In addition to the Freedom Platform Fee, Investment Management Fee, and Advisory Fee, a Client may bear additional fees and expenses charged by the Custodian and expenses of any mutual funds, ETFs and ETPs in which the Client's Account is invested. Clients should review the prospectus and/or other disclosure documentation regarding any mutual funds, ETFs and ETPs, and other pooled vehicles, in which their Account is invested for information regarding the internal fees or other charges which will be assessed against the Account or investment vehicle. The Custodian will charge ancillary fees for certain administrative services and for certain additional services (depending on the services the Client receives from the Custodian) including check writing fees, outgoing transfer fees, annual charges for qualified accounts, special trade charges, transaction fees assessed by any securities exchange or regulator, and transactional fees on certain securities not included in the Freedom Program. Clients are advised to review the Custodian's fee schedule for additional fees applicable to the Account. Clients should review and understand their custodial agreement and statements provided by the Custodian and immediately notify their Financial Advisor or Freedom if a discrepancy is discovered.

The Freedom Program may cost the Client more or less than purchasing the services separately. Freedom seeks to lower the aggregate cost by utilizing the collective purchasing power of all investors in the Freedom Program to negotiate favorable access and financial terms for such services as investment management, portfolio



accounting, administration, custody, and trading.

Freedom related advisor, 3D/L Capital Management LLC ("3D"), serves as a non-discretionary sub-adviser to the KFA Value Line® Dynamic Core Equity Index ETF ("Fund"). If the assets within the ETF exceed a certain threshold limit, 3D receives compensation in the form of a sub-advisory fee in an amount equal to twenty-five percent (25%) of the net revenue of the Fund received by Krane Funds Advisors, LLC ("Krane"). As of 11/30/2023 the ETF had not reached that threshold limit. For any monthly calculation period in which net assets average \$150 million or more, Krane will pay 3D thirty percent (30%) of the net revenue received from the Fund. As of 11/30/2023 the ETF had not reached that net average asset level. The Fund may be included in Freedom model portfolios and if Freedom determines it is in the clients' best interest, those models are included in client accounts. Client accounts are also invested directly into the Fund when Freedom determines it is in the clients' best interest. 3D's role as non-discretionary sub-adviser to the Fund and the compensation schedule noted above results in a conflict of interest. To mitigate this conflict of interest, we routinely review both our model portfolios and our client accounts to ensure that the inclusion of the Fund in those models and client accounts is consistent with our portfolio construction methodology and the client's stated goals and objectives, respectively.

3D entered into a Multi-Manager Strategist Program Agreement dated October 30, 2020, with Krane Fund Advisors ("Krane") that included a list of exchange traded funds managed or administered by Krane. Pursuant to that agreement, Krane paid 3D an onboarding fee to make Krane sponsored ETFs available on 3D's platform and now on the Freedom platform. The onboarding fee 3D received from Krane results in a conflict of interest. 3D was under no obligation to use any Krane ETFs in any portfolio or model and these ETFs were subject to the same due diligence and vetting processes that any other ETF goes through. The onboarding fee was paid by Krane, as the product sponsor. Clients did not pay more to use Krane's Funds through 3D than they would pay outside of our program, and our Investment Adviser Representatives did not receive additional compensation for recommending or using Krane Funds in client accounts. Our Investment Adviser Representatives did not receive any compensation associated with the onboarding fee.

## **Account Requirements and Types of Clients**

The Freedom Program is offered exclusively through the Financial Advisors of Financial Advisory Firms, and as such Freedom accepts any type of Client for whom the Financial Advisor deems the Freedom Program appropriate, with some administrative limitations. This includes individual investors ranging from ultra-high net worth investors to the mass affluent, as well as trusts, retirement plans, institutions, and business accounts. The Programs are designed to manage Accounts based on the individual needs of the Client, as assessed by the Client's Financial Advisor and/or Freedom based upon the Client's risk tolerance, time horizon, and investment objective, or subsequent updates to the Client's information.

Information provided by Clients is critical for Financial Advisors and Freedom to determine an appropriate model for the Client. A Client's initial allocation is determined by information provided by the Client and the Client must inform the Financial Advisor, who in turn will inform Freedom, of any changes which occur in a Client's investment objectives, timeline, risk tolerance or liquidity which may affect the appropriateness of the model selected.

In order to achieve proper investment portfolio diversification, each model portfolio requires a minimum dollar investment, which varies based on the Program selected, the Sub-Advisers utilized in each model portfolio, underlying investment strategies offered by the Sub-Adviser, and whether the Custodian trades in whole or fractional shares. The Account minimum is \$25,000. This minimum may be negotiated or waived under certain circumstances.

Clients can make subsequent contributions at any time, which will be held in cash until such time as there is a minimum investment to reallocate into the designated investment strategies within the Account, the amount of which varies by Program. Subsequent contributions may result in a deviation from target weights of the investment strategy depending upon the dollar amount and time when such subsequent contributions are made.

A Client's participation in the Programs may be terminated at any time, by either Client or Freedom, for any reason upon receipt of written notice. Upon termination, unpaid fees and expenses for any unbilled portion of a month will be collected prior to disbursement of funds to the Client, where possible, or the Client will be sent a final invoice.

Under certain circumstances, a Client may choose to terminate their relationship with a Financial Advisory Firm or a specific Financial Advisor associated with the Financial Advisory Firm or the Financial Advisor may choose to no longer service a Client's Account. After Freedom receives notice of termination of the Financial Advisory Firm or the Financial Advisor, the Account will not be assessed the Advisory Fee unless the Financial Advisory Firm and Client agree to the appointment of another Financial Advisor for the Client's Account. However, the Account may be assessed the Freedom Program Fee. Clients are required to establish a relationship with a new Financial Advisor to ensure continued supervision of the Account.

Freedom may serve in one or more capacities as a fiduciary pursuant to certain regulations issued pursuant to the Employee Retirement Income Securities Act ("ERISA") or the Internal Revenue Code of 1986 as well as rules and regulations as may be promulgated by the Department of Labor ("ERISA Accounts"). As such, Freedom is subject to certain duties and obligations which include among other things, the accurate and transparent disclosure of fees and Program expenses, restrictions concerning certain forms of compensation and other prohibited transactions. ERISA Accounts will typically not include assets that result in commissions or pay related 12b-1 fees. If for some reason an ERISA Account holds an asset that has such fees, the fees will be used to offset the Freedom Platform Fee. Freedom does not provide administrative or recordkeeping services to ERISA plans nor does it provide individualized investment advice to plan participants.

## **Portfolio Manager Selection and Evaluation**

Freedom supports hundreds of Financial Advisors who, on average, serve hundreds of investors. In order to meet the varied needs of so many different Financial Advisor practices and more than 10,000 different investors, it is necessary for the Freedom Program to be flexible and accommodating, offering hundreds of investment strategies from a diverse offering of Sub-Advisers, including model providers, separate account managers, exchange traded funds, and mutual funds with access to the global securities markets. Freedom seeks to address the investment needs of its Financial Advisors and their Clients, with a particular emphasis on diversified, longer-term investing. We support Clients segmenting certain assets to fund a relatively short-term capital need, but do not support active trading strategies.

All models and underlying investment strategies in the Freedom Program fall into one of five risk tolerance categories: Conservative, Moderate-Conservative, Moderate, Moderate-Aggressive, and Aggressive.

Each Sub-Adviser has its own stated investment philosophy and strategy, and collectively the offering of models, underlying strategies, and risk profiles covers the range of approaches across global geography, market capitalization, investment styles, and investment vehicles.

The models offered in the Freedom Program range from 100% individual securities managed by separate account managers to 100% exchange traded funds, to 100% mutual funds, to combinations of all these strategies across the spectrum. Each Sub-Adviser, whether model provider, separate account manager, or

pooled vehicle, is responsible for its own investment results.

The Freedom Investment Committee is responsible for conducting research and due diligence, approving and removing Sub-Advisers available for investment by the Accounts, and for general supervision and oversight of the Programs.

In selecting Sub-Advisers, Freedom conducts comprehensive due diligence, including on the Sub-Adviser's investment process, risk controls, organizational stability, operational rigor, strategy fit, and performance history. In certain cases, Freedom relies on the due diligence conducted by other industry providers of model marketplaces. Sub-Advisers typically must have a minimum period of live performance history to be considered for inclusion. Freedom researches each Sub-Adviser's security analysis and portfolio construction methods to ensure the methods are consistent and appropriate for the applicable portfolios and asset classes. Depending on the underlying securities comprising a model or strategy, some Sub-Advisers may have minimum investment amounts or limitations on trades that can be executed.

In addition to sponsoring and administering the Freedom Program, Freedom acts as one of the portfolio managers, providing a series of holistic models across the risk spectrum ("EQIS Models" and "3D Models") and sub-asset class strategies ("EQIS Portfolios"). For certain models and portfolios Freedom does not charge an Investment Management Fee and for others the fee ranges from 0.10% to 0.35%. Freedom does not participate in gains achieved in Client Accounts and as such it does not receive any performance-based fees. Additionally, Freedom does not engage in side-by-side management of proprietary accounts alongside Client Accounts.

See the *Fees and Compensation* section above for a discussion of fees charged to Clients.

#### EQIS Models and 3D Models:

The Freedom Investment Committee is responsible for the design and management of the EQIS Models and 3D Models. The UMA Models are comprised of multiple Sub-Advisers, including separate account managers, EQIS Portfolios, mutual funds, and ETFs and/or ETPs, diversified across multiple asset classes. The ETF Models are comprised of individual ETFs and/or ETPs and EQIS Portfolios comprised of ETFs. The Models are designed to offer a complete portfolio allocation with broad diversification and seek to provide long term risk-adjusted returns.

The Freedom Investment Committee selects the Sub-Advisers, Freedom Portfolios, mutual funds, ETFs and/or ETPs for each asset class within the EQIS Models based on their individual strengths as well as the expected effect of combining the selected Sub-Advisers, EQIS Portfolios, mutual funds, ETFs and/or ETPs. For example, Freedom may select an EQIS Portfolio in large cap equities to complement a high-volatility Sub- Adviser selected for mid-cap equities, or vice versa.

#### EQIS Portfolios:

The EQIS Portfolios cover the spectrum of sub-asset classes (domestic large-, mid-, and small-cap equities, international equities, domestic and international fixed income, etc.) to offer broad market exposure as well as more narrowly focused portfolios covering more specialized asset classes or tactical strategies (sectors, regions, socially responsible, commodities, market neutral, etc.). EQIS Portfolios may be included in the EQIS Models offering to ensure there is a full suite of investment options available to represent a broad range of asset classes.

#### Changing or Replacing Sub-Advisers and Portfolios:

The Freedom Investment Committee conducts ongoing oversight over Sub-Advisers, EQIS Models, EQIS Portfolios, 3D Models, mutual funds, ETFs and/or ETPs included in the Programs and may add, remove, or replace Sub-Advisers, EQIS Portfolios, mutual funds, ETFs and/or ETPs, and securities at any time in its discretion. The Freedom Investment Committee may determine that a Sub-Adviser, EQIS Portfolio, mutual fund, ETF or ETP, or security is no longer appropriate to be included in the Programs. Sub-Advisers, EQIS Portfolios, mutual funds, ETFs and ETPs may be replaced for any of a variety of qualitative and quantitative reasons including, but not limited to, underperform relative to their benchmark, peers, asset class and/or equity style, a change in the investment style or processes employed by the Sub-Adviser or a change in key personnel. There may be occasions when the Freedom Investment Committee removes or replaces a Sub-Adviser, EQIS Portfolio, mutual fund, ETF or ETP from the EQIS Models or 3D Models but retains the Sub-Adviser, EQIS Portfolio, mutual fund, ETF or ETP for use by Clients and Financial Advisors in the Advisor Models.

Freedom calculates daily Account returns based on the change from the prior day's Account value at the close of the prior trading day (generally following New York Stock Exchange trading hours) to the next day's closing Account value, accounting for deposits and withdrawals. Freedom further calculates monthly returns using the geometric series of daily returns for the days in which the securities markets were opened for the month.

For Freedom's use when evaluating the Sub-Advisers, among other potential uses, Sub-Advisers provide their performance data to Freedom, directly or indirectly via a data aggregation service. The Investment Committee further compares this performance data to the performance experienced by Clients to identify unexpected dispersion. The Investment Committee expects Accounts to experience a nominal degree of dispersion due to a variety of factors including Account size, trading minimums, cash flows, and exclusions. If the performance with respect to any month diverges by more than this nominal amount, the Investment Committee will initiate a discussion with the Sub-Adviser to understand the reason for the dispersion.

Freedom offers advisory services specifically related to the Programs. Individually tailored advice for a Client is generated based on the Client's Investment Plan, and other applicable factors as provided by the Client or their Financial Advisor. Clients can also place reasonable restrictions on the types of investments to be made through their Accounts, but such restrictions may be limited. Clients can choose to exclude individual securities and they may choose from Freedom's available sector exclusions.

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

When constructing the 3D Models, Freedom utilizes quantitative tools, factor-based strategies and systematic investment approaches in the management of client portfolios. Freedom also believes in efficient markets and that passive fund management can be an effective means of taking advantage of those efficiencies. For some of its model portfolios, Freedom looks for pure asset-class investment vehicles with which to build efficient and low-cost portfolios. Freedom uses low cost asset-class and/or index mutual funds to structure certain portfolios. ETFs also provide such investment vehicles. Freedom will use certain ETFs to construct certain portfolios. On occasion, Freedom will allocate to traditional actively managed investment products.

Client portfolios sometimes include some individual securities, usually resulting from pre-existing client holdings prior to becoming a Freedom client. As a result, Freedom can provide advice to clients on when to sell out of existing holdings.

Freedom, from time to time, ladders Certificates of Deposit or US Government Securities for some clients as a means of protecting principal in order to make capital available for future purchases in dollar cost averaging strategies or the like. Freedom, in limited circumstances, allows a client to purchase non-index funds within a

separate portfolio sleeve. Freedom monitors and reports on these non-index funds and includes these funds in the clients' assets for billing purposes.

Freedom utilizes mainstream investment theories, principles, and modeling techniques. These include, but are not limited to Modern Portfolio Theory, Efficient Markets Hypothesis, and the Fama-French Three Factor Model. We believe asset allocation is the primary driver of investment portfolio performance; that risk and expected return are correlated; and, that diversification is essential in managing risk. We monitor macro-economic data and interpretive data related to investors' current appetite to take on or reduce investment risk. These factors are used to fine tune our strategic asset allocation models and increase or decrease slightly our portfolios' exposures to asset classes that we feel will be affected by current economic or market conditions. We do not try to time the market and, apart from certain tactical strategies specifically designed to go to cash, we normally do not go to cash; rather will stay fully invested via ETFs and mutual fund positions as set out in that model's investment policy.

Certain model portfolios managed by Freedom are formed using ETFs that track specified investment themes for the purpose of targeting long-term investment goals. Freedom's criteria for selecting ETFs includes, but is not limited to, targeted investment exposure or theme, costs, reputation of ETF sponsor, and liquidity/assets under management. The material risks involved in ETFs are primarily rooted in the adequate functioning of capital markets. For instance, if underlying securities of an ETF do not trade, a price cannot be established for capital market makers to assess the true underlying net asset values of the ETFs. However, we see these types of risk as remote in nature, but ETFs require a normal, functioning market for the market value to trade closely to the underlying net asset value. A secondary risk is the liquidity of the underlying basket of securities. ETFs that invest in illiquid securities such as emerging markets and fixed income debt securities can trade at larger 16 premiums/discounts versus ETFs that invest in more liquid securities such as U.S. large companies. ETFs that invest in the former can also trade at wider bid/ask offers to compensate for the less liquid nature of the baskets. Model portfolios are constantly reviewed by the Investment Committee and reallocation of positions occurs pursuant to changes in investment decisions made by the Investment Committee. Accounts are rebalanced to the model, defined as a targeted allocation plus or minus a tolerance range, on an episodic basis depending on market conditions but typically once or twice a year although Freedom is not wedded to a specified timetable for making changes.

The ETFs and mutual funds utilized by Freedom may be invested in domestic and international equities, including preferred equities and Real Estate Investment Trust ("REITs"), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization, and small capitalization stocks.

When constructing the EQIS Models, Freedom utilizes long term capital market assumptions to create the spectrum of risk targeted portfolios along the efficient frontier. Freedom applies a mean variance and Black-Litterman model with its own forward-looking assumptions then selects strategies to fit the general asset allocation framework for each risk target.

When researching equities for EQIS Portfolios, Freedom utilizes several sources of financial information including third-party data and research providers, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings and company press releases. Securities are monitored and evaluated relative to market and industry conditions.

When selecting mutual funds, ETFs and ETPs for the Programs, Freedom takes into consideration the following criteria: fund's investment objective, inception date, assets under management and performance history; the industry sector(s) in which the fund invests; the track record of the fund's manager; the fund's management style

and philosophy; and the fund's management fee structure.

All investing involves risk, including the potential complete loss of principal. The following risks are associated with specific strategies and securities invested in through the Programs.

*Equities.* The price of any stock fluctuates every day it trades. The risks involved with equities vary based on a number of factors, including but not limited to company size or market capitalization (mid-, small-, and micro-cap equities generally carry more risk than large cap stocks), industry sector, or location (international investing involves special risks, which are heightened for emerging markets).

*Fixed Income.* The bond market can be volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually greater for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so holding such funds until maturity to avoid losses caused by price volatility is not possible.

*Alternative Strategies.* Alternative investment strategies may invest in assets other than stocks, bonds and cash (commodities, for example) or investments using strategies that go beyond traditional ways of investing, such as long/short or arbitrage strategies. Alternative investments present the opportunity for significant losses, including the possible loss of your total investment. Such strategies have the potential for heightened volatility and in general, are not suitable for all investors.

*Diversification and Asset Allocation.* Strategies that are intended to provide diversification or a complete asset allocation may not protect against market risk or loss of principal.

*Tactical Asset Allocation.* Generally, accounts managed through a tactical approach to asset allocation will trade more frequently than a strategic approach. Performance for accounts using a tactical approach may be more volatile and may underperform in some market cycles.

*Strategic Asset Allocation.* Accounts managed through a strategic approach generally trade less frequently. Performance for accounts using a strategic approach may be more volatile and may underperform in some market cycles.

*High Concentration.* Strategies that concentrate investments in a certain sector or are narrowly focused may be subject to greater risk than strategies that invest more broadly, as investments in that sector or focus may share common characteristics and may react similarly to market developments or other factors affecting their values.

*Mutual Funds, ETFs and ETPs.* Clients purchasing mutual funds, ETFs and ETPs should refer to the relevant prospectus for more information about the risks of investing in a particular fund or ETP, as well as applicable fees and expenses. Clients purchasing ETFs and ETPs should understand that the market price of ETFs and ETPs may not correlate to the value of its underlying assets, and that ETFs and ETPs performance may not mirror the performance of its underlying index. Operating expenses and other costs are deducted daily from the value of these products and will lower the rate of return. See Services, Fees and Compensation for more information regarding fund expenses.

For an explanation of risks associated with other securities and/or strategies, please see the applicable Sub-Adviser's Form ADV Part 2 (available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or applicable mutual fund, ETF or ETP prospectus and other documents.



#### Voting Client Securities:

As a general policy, Freedom retains the authority to vote proxies on behalf of Clients. Freedom has engaged with third-party proxy voting service providers (“Proxy Providers”) to assist with voting proxies and record keeping, and generally adopts such Proxy Providers’ proxy voting policies and guidelines. Freedom utilizes these Proxy Providers to provide a platform to allow Freedom to electronically vote and maintain the records required pertaining to each proxy vote decision made, and to provide proxy voting recommendations.

Freedom has adopted policies and procedures seeking to vote in a manner that serves the best interests of Clients, as determined by the Firm, in its discretion. Freedom’s proxy voting policies require identification and monitoring of actual and potential conflicts of interest so that they may be appropriately addressed. In addition, Freedom monitors the conflicts of interests of its Proxy Providers to ensure that the recommendations provided are in the best interest of Clients. In cases where sole proxy voting authority rests with Freedom for plans governed by ERISA, proxies for such accounts will be voted in accordance with Freedom’s policies and procedures.

The conditions that govern Freedom’s authority to vote proxies on Clients’ behalf are contained in the Investment Management Agreement entered into by Freedom with clients. Clients may, with written communication to Freedom, continue to vote proxy on their own behalf. Clients can obtain a copy of Freedom’s complete proxy voting policies and procedures, or a record of Client’s ballots voted upon request.

Participating in class action litigation, bankruptcy proceedings and other litigation relating to portfolio holdings involves the consideration of cost and other factors unique to individual accounts and unrelated to portfolio management. Accordingly, while Freedom will attempt to assist Clients who wish to participate in these matters, we do not prepare filings or otherwise act as the Client’s agent in connection with these matters.

### **Client Information Provided to Portfolio Managers**

The Sub-Advisers make investment decisions based on the relevant strategy only; they do not make investment decisions specifically for a Client. The Sub-Advisers are not provided any personally identifiable information about the Clients and they do not have access to Account information.

### **Client Contact with Portfolio Managers**

Freedom may make members of the Freedom Investment Committee available to Clients to discuss their Accounts. Clients do not generally have access to Sub-Adviser personnel or the portfolio managers of the mutual funds, ETFs and ETPs in which they may invest. Clients may request meetings with Sub-Advisers through their Financial Advisors.

### **Additional Information**

#### Disciplinary Information:

Neither Freedom nor its management personnel have any disclosable disciplinary history.

#### Other Financial Industry Activities and Affiliations:

As of June 15, 2022, Freedom and 3D/L Capital Management, LLC (“3D”) are under common ownership by Freedom Advisors Group Intermediate Holdings, LLC (“Freedom Advisors”). On November 1, 2023, all investment advisory business of 3D was transferred to Freedom.

Freedom has contracted with GeoWealth Management LLC, an unaffiliated registered investment adviser (“GeoWealth”), to provide a technology platform and sub-advisory services which include trade execution and Sub-Adviser due diligence. Freedom receives no compensation from GeoWealth. Freedom compensates GeoWealth for its services. Robert P. Herrmann, Chief Executive Officer of Freedom, is a member of the board of directors of GeoWealth. This role provides Freedom significant benefit as to continuity of Client services but presents a potential material conflict of interest with clients which is monitored to ensure that it does not impact the services or advice rendered by Freedom.

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

Freedom has adopted a Code of Ethics which sets forth the high standard of business conduct that it requires of its employees, including compliance with applicable federal securities laws.

The Code of Ethics includes policies and procedures for the periodic review of securities transactions and securities holdings that must be submitted by Freedom’s access persons. Among other things, the Code of Ethics requires the prior approval of any purchase or sale of securities in a limited offering (e.g., private placement), participation in an initial public offering, or initial coin offering and incorporates provisions for oversight, enforcement, and recordkeeping.

The Code of Ethics also prohibits the use of material nonpublic information. While Freedom does not believe that it has a high risk of receipt of material nonpublic information, all employees are reminded that such material nonpublic information may not be used for any purposes and employees must report the receipt of any material nonpublic information to the Chief Compliance Officer immediately.

Clients and prospective clients may request a copy of the Code of Ethics by email sent to [support@freedomadvisors.com](mailto:support@freedomadvisors.com), or by calling (800) 949-9936.

#### Personal Trading:

Freedom and/or individuals associated with Freedom may have an interest or position in certain securities that also are recommended to, and held by, Clients. It is Freedom’s express policy that employees conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of Clients, (ii) taking inappropriate advantage of their position with Freedom, and (iii) any actual or potential conflicts of interest with Clients.

Freedom permits its employees to engage in personal securities transactions, however, recommendations to Clients will not be impacted by such transactions and Freedom employees may buy or sell securities that have been recommended to Clients for their own personal accounts in a manner that is different to or inconsistent with recommendations to Clients. Personal securities transactions, activities, and interests of Freedom’s employees will not impact Freedom implementing recommendations for its Clients.

#### Review of Accounts:

Client Account allocations are reconciled with the Custodian’s records on a daily basis. While the underlying securities within the Accounts are monitored, Accounts are rebalanced when the Freedom Investment Committee or the Client’s Financial Advisor deems appropriate.

Freedom reviews Accounts at the Program level and considers factors relevant to the determination of whether or not the assets held by Accounts are consistent with the Clients’ target allocation. More frequent reviews may



be triggered by material changes in variables such as drift from the model weightings, the market, and political or economic environments.

The Financial Advisor is expected to contact the Client on at least an annual basis to discuss information related to changes to the Client's financial circumstances or investment objectives. However, should there be any material change in the Client's personal and/or financial situation, the Client should notify their Financial Advisor immediately to determine whether any review and/or revision of the Client's investment profile is warranted.

Clients must notify Freedom promptly if they suspect there has been an error related to their Account. It is the Client's responsibility to seek immediate clarification about Account activity that is not clearly understood. All Client communications sent to the address of record or in the manner requested by the Client are presumed to have been delivered and received whether or not actually received.

#### Client Referrals and Other Compensation:

Freedom currently maintains referral arrangements with a number of Financial Advisory Firms through which the Financial Advisory Firms' Advisors introduce Clients to the Programs. The Financial Advisory Firms negotiate the Advisory Fee directly with their clients for such referral services, which is deducted from the Client's Account by the Custodian as directed by Freedom and paid by Freedom to the Financial Advisory Firm. Additionally, in connection with some of these arrangements, Freedom pays the Financial Advisory Firm a percentage of the Freedom Platform Fee that Freedom receives with respect to Clients referred by such Financial Advisory Firm. Freedom also pays certain Financial Advisory Firms a flat fee for administration, compliance, and joint marketing and advisor training efforts. Clients should be aware that to the extent that Freedom does pay a portion of its Freedom Platform Fee to a Financial Advisory Firm or a flat fee for support, these payments create a conflict of interest because the Financial Advisory Firm has an incentive to recommend the Programs to its clients over other programs or products for which the Financial Advisory Firm may not receive compensation from the adviser.

Some Financial Advisors and/or Financial Advisory Firms may own an equity interest in Freedom Advisors Group Holding, Inc., an indirect owner of Freedom. Although this equity interest does not impact the level of fees that Clients are charged to participate in the Programs, it does create a conflict of interest because these Financial Advisory Firms and Financial Advisors have an overall interest in the financial success of Freedom.

Freedom maintains a referral arrangement with Dunham Trust through which Freedom receives referral payments for Clients introduced to Dunham Trust. To mitigate potential conflicts of interest, Freedom requires the Client's Financial Advisor to determine if the services provided by Dunham Trust are in the best interest of the Client.

#### Financial Information:

Freedom 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. Freedom is a private company with a diversified ownership group.