

FIRM BROCHURE
(Part 2A of Form ADV)

December 6, 2023

Sovran Advisors, LLC

CRD#329415

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Sovran Advisors, LLC. If you have any questions about the contents of this Brochure, please contact Jeremy Martinson at (619) 246-1172. 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.

Sovran Advisors, LLC is registered as an investment adviser with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Sovran Advisors, LLC (CRD# 329415) and its investment adviser representatives is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Sovran Advisors, LLC (“Sovran” or the “Firm”) is a newly registered investment adviser with the Securities and Exchange Commission. As such, no material changes are noted here. Our prospective clients are strongly encouraged to read this brochure in its entirety prior to engaging Sovran for advisory services.

Pursuant to regulation, Sovran will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Sovran’s fiscal year-end. Additionally, as the Firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please contact us at (619) 249-1172.

Additional information about Sovran and its investment adviser representatives is also available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

A. Description of Firm

Sovran Advisors, LLC (“Sovran” or the “Firm”) is a California-based investment advisory firm. Sovran is registered as an investment adviser with the Securities and Exchange Commission pursuant to Rule 203A2(e) and will notice-file (register) when appropriate in those jurisdictions in which the Firm conducts investment advisory business unless otherwise meeting certain exemptions per statute. The Firm’s principal owner is Jeremy Martinson (“Mr. Martinson”). Mr. Martinson serves as the Manager and Chief Compliance Officer (“CCO”) of the Firm. In these roles, Mr. Martinson is responsible for all day-to-day management and operations of Sovran.

B. Types of Advisory Services Offered

1. Financial Planning Services

Sovran’s financial planning services are available on a “one-time” or “ongoing” basis and range from comprehensive financial planning to more focused consultations, depending on the needs of each Client. Such planning will at times, typically when requested by a client, involve discussions concerning alternative investments such as private placements and REITs. Generally, Sovran evaluates the client’s financial, business, and investment information and makes recommendations designed with the intention of achieving the client’s overall goals and objectives. Clients have the option of utilizing Sovran to implement certain investment recommendations but are under no obligation to do so. Advice and recommendations may also be given on non-securities matters and any implementation of Sovran’s recommendations is entirely at the client’s discretion. Clients are always free to accept or reject any or all recommendations made by Sovran, and clients retain the authority and discretion on whether or not to implement any recommendations.

Clients should understand that a potential conflict of interest exists if Sovran recommends its own portfolio management services. Financial planning recommendations are based on the client’s financial situation at the time the recommendations are provided and are based on the information provided by the client. In addition, certain assumptions may be made with respect to interest and inflation rates, use of past trends, and performance of the market and economy. Past performance is in no way an indication of future performance and Sovran cannot offer any guarantees or promises that the client’s financial goals and objectives will be met. As a client’s financial situation, goals, objectives, or needs change, the client is strongly urged to promptly notify Sovran. For more information on the risks associated with investing, please refer to Item 8, below.

Please refer to Item 5 below for detailed information on fees and compensation for these services.

2. Investment Management Services

Sovran provides discretionary investment advice and management to separately managed accounts on a continuous basis and in accordance with the investment objectives and strategies provided by the client. Sovran holds a limited power of attorney to act on a discretionary basis with client funds. The Firm’s discretionary authority is subject to conditions or restrictions

imposed by a client, such as when a client restricts or prohibits transactions in a particular security. Please refer to Item 16 for additional information.

Sovran will not maintain possession or custody of the funds or securities of any client. The client funds will typically be deposited in either a brokerage firm or bank custodian account. With client's written consent, Sovran will cause its management fees to be paid out of clients' separately managed accounts by the client's custodian.

All investment advice is customizable, with each account managed according to the investment objectives, needs, guidelines, risk tolerance, conditions/restrictions, and other information as provided by the client. This begins through gathering information from each client on a *Client Profile Form*, or other similar documentation. The Firm also utilizes both in-person meetings, video conferences, and/or telephonic interviews with the clients to gather information. Client managed account assets are then invested and managed based on a blend of investment strategies and other securities that appear to be most suitable to the client's investment objectives and strategy determined for those account assets. While Sovran will customize the portfolios, for example to help ensure suitability and/or to incorporate client restrictions, several clients can be invested in the same or similar investment strategy at any given time. Please refer to disclosures in Item 8 regarding risks associated with investing.

3. Pension Consulting Services

Sovran offers pension-consulting services to qualified and non-qualified retirement and deferred compensation plans. In general, these services typically include the review and/or development of an Investment Policy Statement ("IPS"); analysis, review, and recommendation of investment selections; asset allocation advice; communication and education services where Sovran assists the plan sponsor in providing meaningful information regarding the retirement plan to its participants; investment performance monitoring and/or ongoing consulting. The plan fiduciary always has the right to seek independent advice about the appropriateness of any recommended services for the plan. Unless otherwise contractually agreed upon, Sovran typically serves in a 3(21) fiduciary capacity when performing these services.

C. Advisory Agreements

1. Information Received by Individual Clients

At the onset of the client relationship, Sovran gathers information on each client's investment objectives, risk tolerance, time horizons and financial goals. Sovran does not assume responsibility for the accuracy of the information provided by the client and is not obligated to verify any information received from the client or from any of the client's other professionals (e.g., attorney, accountant, etc.). Under all circumstances, clients are responsible for promptly notifying Sovran in writing of any material changes to the client's objectives, risk tolerance, time horizon, and financial goals. In the event a client notifies Sovran of any changes, Sovran will review such changes and implement any necessary revisions to the client's portfolio.

2. Client Agreements and Disclosures

Each client is required to enter into a written agreement with Sovran setting forth the terms and conditions under which the Firm shall render its services (the "Agreement"). In accordance with

applicable laws and regulations, Sovran will provide its Form CRS, disclosure brochure (ADV Part 2A), brochure supplement (ADV Part 2B) and most recent Privacy Notice to each client prior to or contemporaneously with the execution of the Agreement. The Agreement between Sovran and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Sovran's fees (as discussed below) shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Neither Sovran nor the client may assign the Agreement without the prior consent of the other party. Transactions that do not result in a change of actual control or management of Sovran shall not be considered an assignment.

As further discussed in Item 15 below, client's assets will be custodied with a qualified custodian. All custodial and execution fees assessed for Client's assets remain the sole responsibility of client.

D. Participation in Wrap Programs

Sovran does not participate in any wrap programs at this time.

E. Amount of Client Assets Managed

As of the date of this Brochure, the following represents the amount of client assets under management by the Firm on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management
Discretionary	\$0
Non-Discretionary	\$0
Total:	\$0

1. Assets Under Advisement

Sovran also provides investment and financial advice for assets that are not directly managed by the Firm ("Assets Under Advisement" or "AUA"), such as a client's annuity product, 401K, pension, or other deferred compensation plans. As of the date of this Brochure, the following represents the amount of AUA by Sovran:

Type of Account	Assets Under Advisement ("AUA")
Total:	\$0

ITEM 5: FEES AND COMPENSATION

A. Compensation for Advisory Services

As described in greater detail below, Sovran charges different types of fees, including fees based on a percentage of assets under management, fixed fees, and hourly fees. The specific fees charged by Sovran for its financial planning and investment management services will be set forth in the Client's Agreement.

Fees are negotiable under certain circumstances at the sole discretion of Sovran. In addition, Sovran has full discretion to waive its advisory fees in their entirety. Although Sovran believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

Please note that certain “legacy clients” of the Firm will have a fee schedule and/or billing practices that differ from those disclosed herein. Legacy clients are those clients that had a pre-existing arrangement with an investment adviser representative before that investment adviser representative became registered with Sovran. In those instances, the specific fees and billing practices will be as described in the respective legacy client’s agreement.

1. Fixed and Hourly Fees

The Firm generally charges an hourly fee, fixed fee, or both for its financial planning services. The Firm’s fees vary and are dependent upon the scope and complexity of the requested services, and are specified as part of the Client’s Agreement. These rates can be negotiated based on the sole discretion of the Firm.

i Fees for One-Time Services.

Clients receiving “one-time” services are generally assessed a fixed fee and/or an hourly fee. Generally, rates range from \$2,500 – \$40,000 on a fixed fee basis, or from \$250 – \$750 on an hourly rate basis. Clients are generally requested to pay 50% of the estimated fee upon execution of the Agreement. An invoice for services is issued on completion of the written analysis, which is payable upon receipt. Clients under a one-time Agreement can terminate the Agreement, without penalty, at any time upon written notice. At the time of termination, any prepaid fees will be prorated based on the amount of work completed by the Firm as of the date the notice of termination is received, and any unearned fees will be returned to the client. It is possible that if the client seeks to terminate this Agreement and substantial work has been done to provide services to the Client, the Client may not receive any return of the initial payment.

ii Fees for Ongoing Services

Clients engaging for “ongoing” Services are generally assessed an initial setup fee of \$2,500, and an ongoing fixed fee. Generally, fixed fees range from \$2,500 – \$40,000 per annum. Sovran bills monthly, at the beginning of each calendar month, at a rate of one-twelfth (1/12th) the annual fee per month.

Typically, Sovran will send all the client’s invoices to AdvicePay (a secure payment processing application) and AdvicePay will provide client with invoices from Sovran. Clients agree to make all payments through AdvicePay under the terms of client’s separate AdvicePay Account. Payments may be automatically processed through AdvicePay via debit card, ACH, or credit card. Client acknowledges that Sovran will not maintain control, copies, or custody of client’s credit card or payment information at any point. As part of the Client Agreement, clients typically agree to set up and register an account with AdvicePay (“AdvicePay Account”) so that clients can timely pay Sovran invoices through AdvicePay’s portal. The failure to create the AdvicePay Account, or client’s termination of the AdvicePay account, shall constitute grounds for termination.

At times, in its sole discretion, Sovran will allow clients the ability to pay for ongoing financial planning services via check, or an alternate advisory account. If paying by check, Sovran will issue an invoice directly to the client, and invoices are due and payable upon receipt. If an advisory account is utilized for financial planning fees, Sovran sends an invoice to the Custodian indicating the amount of the fees to be deducted from the client's account[s] at the beginning of the respective month. The amount due is calculated by applying the billable account balance multiplied by the annual rate divided by twelve (12). Clients will be provided with a statement, at least monthly, from the Custodian reflecting deduction of the fee. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting ongoing financial planning fees to be deducted by Sovran to be paid directly from their account[s] held by the Custodian as part of the financial planning agreement and separate account forms provided by the Custodian. Invoicing client advisory accounts for financial planning fees creates a risk to the client in that such deductions will result in lesser returns on their advisory accounts.

2. Fees Based Upon a Percentage of Assets Under Management

Investment management fees are paid quarterly in advance of each calendar quarter, pursuant to the terms of the client Agreement. Sovran uses the average daily balance ("ADB") in the client's account from the previous billing quarter to determine the value of assets under management for billing purposes. For account[s] where ADB (i.e., 529 plan) is not readily available, the value for billing purposes shall be the average of the beginning and ending account balances ("ABE") from the previous quarter $((\text{beginning balance} + \text{ending balance})/2)$. Investment management fees are typically deducted from accounts during the first fourteen (14) days of each quarter. Either ADB or ABE may be referred to as the billable account balance.

Investment management fees are based on the following schedule:

Assets Under Management	Annual Fees
First \$1,000,000	1.25%
\$1,000,000-\$1,500,000	1.00%
\$1,500,000-\$2,000,000	0.90%
\$2,000,000-\$3,000,000	0.80%
Over \$3,000,000	0.70%

For avoidance of doubt, Sovran's fee schedule is applied as a "straight-tier" as opposed to a "blended-tier." For example, if a client has \$1,750,000 under management with Sovran, the entirety of the assets (i.e., all \$1,750,000) will be billed at a rate of 0.90% annually.

Investment management fees will be deducted from the client's account by the custodian as soon as practicable following the end of each applicable period. If requested by the client, Sovran may, in its sole discretion, invoice Client directly for fees as opposed to debiting client's Account. In such cases, invoices are due and payable upon receipt.

Should a client open an account during a quarter, the Firm's investment management fee will be prorated based on the number of days the account was open during the quarter. In the event the

Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the investment management fee earned (based on the total number of days in the quarter) and the balance is refunded.

Unless instructed otherwise, each client account managed by the Firm will be billed individually for its respective share of fees owed. However, the Firm will at times bill client accounts disproportionately for fees should such actions be necessary due to insufficient funds in any respective client account, or if doing so is deemed by the Firm to be in the best interest of client.

Fees are negotiable and arrangements with any particular client can differ from those described above. Negotiated fees will be captured in and agreed upon by the client as part of the client's Agreement. In addition, for family and friends of the Firm, the Firm will at times, in its sole discretion, reduce or waive management fees in their entirety.

The Firm may amend its standard fee schedule at any time by giving thirty (30) days advanced written notice to clients. Although Sovran believes its investment management fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

i Fees for Pension Consulting Services

The Firm's pension consulting fees range from 0.25% to 1.0% of the assets under management of the plan and are calculated and assessed quarterly, in advance. The pension consulting fees are typically invoiced to the respective plan's administrator, who then deducts the Firm's fees from the client's account. However, at times, the Firm will directly debit its fees from the client's account upon receiving written authorization from the client. If requested by the client, Sovran may, in its sole discretion, invoice client directly for fees as opposed to debiting client's Account. In such cases, invoices are due and payable upon receipt.

Should a client begin receiving pension consulting services during a quarter, the Firm's investment management fee will be prorated based on the number of days the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the investment management fee earned (based on the total number of days in the quarter) and the balance is refunded.

Fees are negotiable and arrangements with any particular client can differ from those described above. Negotiated fees will be captured in and agreed upon by the client as part of the client's Agreement. Although Sovran believes its investment management fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

B. Other Fees and Expenses

Clients should understand that the fees described above do not include certain charges imposed by third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (*e.g.*, fund management fees and other

fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, Clients will often incur brokerage commissions and transaction fees. Clients should further understand that such charges, fees and commissions incurred in connection with transactions for an account will be paid out of the assets in the account and are exclusive of and in addition to the fees charged by Sovran.

C. Additional Information Regarding Sovran's Fees

The Agreement for separately managed accounts executed by clients specifies that payment of Sovran's management fees will be made by the qualified custodian directly from client's custodial account, unless otherwise specified in writing by the client. Further, the qualified custodian agrees to deliver an account statement to the client, at least quarterly, showing all disbursements, including Sovran's advisory fees, deducted from the account. The client is encouraged to review all account statements for accuracy and compare them to the invoices and reports received by client. It is the client's responsibility (and not the custodian's) to ensure the fee and its calculation in relation to the client's account is correct. Please note that the fees charged by investment company funds and the client's custodian are exclusive of, and in addition to, Sovran's investment advisory fee. Please refer to Item 5.B below.

An Agreement for a separately managed account can be cancelled at any time, by either party, for any reason, customarily upon receipt of 30 days written notice. The advance notice requirement for termination varies by Agreement. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

D. Outside Compensation

Mr. Martinson is a part owner of Bamboo Insurance Services, Inc., an affiliated, life, health and disability insurance company. There are times when representatives of Sovran recommend the purchase of certain insurance products to Sovran clients. Upon purchase through Bamboo Insurance Services, Mr. Martinson will profits and related remuneration as an owner of the company. Certain employees of Sovran are also employees of Spectrum Consulting Group, an affiliated bookkeeping, payroll processing, and other business-related services company. For a detailed description of these arrangements, please see Item 10 below.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Firm does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client). Consequently, the Firm does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, the Firm provides advisory services for a percentage of assets under management, in accordance with applicable regulations.

ITEM 7: TYPES OF CLIENTS

A. Description

Sovran provides discretionary investment supervisory and management services on a continuous basis to individuals, high net worth individuals, charitable organization, corporations and pension and profit-sharing plans (“client”).

B. Conditions for Managing Accounts

The Firm generally requires a minimum initial investment of \$1,000,000 to open an account, which could be negotiable by the Firm in its sole discretion or differ for Legacy Clients. However, the Firm reserves the right to accept or decline a potential client for any reason in its sole discretion. Prior to engaging the Firm to provide any of the investment advisory services described in this Brochure, the client will be required to enter into one or more written Agreements with the Firm setting forth the terms and conditions under which the Firm shall render its services.

There are times when certain restrictions are placed by a client, which prevents Sovran from accepting or continuing to manage the account. Sovran reserves the right to not accept and/or terminate management of a client’s account if it feels that the client imposed restrictions which would limit or prevent it from meeting and/or maintaining its overall investment strategy.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Sovran uses a variety of analytical information to assist with its security analysis. However, the primary type of method of analysis the Firm engages in is analysis of securities’ fundamentals and Model Portfolio Theory. Sovran typically begins by using a fundamental, “bottom-up” research process to find investments with superior risk adjusted yield characteristics and attractive valuations. In addition, the Firm will use market intelligence to capitalize on long-term trading opportunities to generate additional income for the accounts. The sources of information used by Sovran to perform its analysis include, but are not limited to, market news reports, financial publications, rating services, outside research reports, annual reports, prospectuses, SEC filings, company press releases, and interpretation of exchange market data. The Firm will then overlay their bottom-up approach with a “top-down” approach to identify securities, sectors and portfolio strategies that it believes will produce strong relative performance to appropriate benchmarks for each risk/return.

Modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. Sovran generally employs a long-term investment strategy for its clients, as consistent with their financial goals, and will often hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of clients. At times, Sovran may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector, asset class, or the economy.

i. Risk Management

Given the enhanced risk-profile of a levered ETF, we incorporate standing stop-loss trades on the position. Calculation of these stop-losses are determined from quantitative analysis of the historic volatility of the position using the calculated beta of the holding compared to the index used as a benchmark. Given the fact that its benchmark is also the exact index it was created to track, assessing the inherent risk profile of our levered position compared to the risk of the market at large becomes relatively straightforward. With the mathematically assessed stop-losses in place, we are aware of the expected percentage of the holding at risk at any given time. This allows us to gauge the downside risk of the position as well as its overall contribution to the risk analysis of the strategy. Those risks, as stated in the prospectus of the respective leveraged ETF, are: (i) Risks Associated with the Use of Derivatives, (ii) Leverage Risk, (iii) Compounding Risk, (iv) Correlation Risk, (v) Rebalancing Risk, (vi) Counterparty Risk, (vii) Early Close/Late Close/Trading Halt Risk, (viii) Equity and Market Risk, (ix) Index Performance Risk, (x) Intraday Price Performance Risk, (xi) Large-Cap Company Investment Risk, (xii) Liquidity Risk, (xiii) Market Price Variance Risk, (xiv) Non-Diversification Risk, (xv) Portfolio Turnover Risk, (xvi) Tax Risk, and (xvii) Valuation Risk. The detailed explanation of these listed risks are discussed in the “Principal Risks” section of the leveraged ETF prospectus. Clients receive a copy of this prospectus upon investment directly from the ETF offeror, and are encouraged to ask the Firm and its advisers any questions they may have as to the product and/or its associated risks.

B. Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Sovran investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions are not always profitable. Clients should be aware that a loss or depreciation to the value of the client’s account can occur. There can be no assurance that the client’s investment objectives will be obtained and no inference to the contrary should be made.

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. Because of the inherent risk of loss associated with investing, the Firm is unable to represent, guarantee, or even imply that its services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and can include zero coupon obligations and inflation-linked fixed income securities.

The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities.

There are certain additional risks associated with the securities recommended and strategies utilized by Sovran including, among others:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Sector Risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-Diversification Risk – The risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If client held common stock, or common stock equivalents, of any given issuer, client would generally be exposed to greater risk than if Client held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest Rate Risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- Management Risk – Client's investment with the Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Opportunity Cost Risk – The risk that an investor may forego profits or returns from other investments.
- Derivatives Risk – Derivatives are types of investments where the investor does not own the underlying asset. There are many different types of derivative instruments, including, but not limited to, options, swaps, futures, and forward contracts. Derivatives have numerous uses as well as various risks associated with them, but they are generally considered an alternative way to participate in the market. Investors typically use derivatives for three reasons: to hedge a position, to increase leverage, or to speculate on an asset's movement. Some ETFs use derivatives, such as swaps, options and futures,

among others. Derivative instruments may be illiquid, difficult to value and leveraged so that small changes can produce disproportionate losses to a client. Over-the-counter derivatives, such as swaps, are also subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. Losses from investments in derivatives can result from a lack of correlation between the value of those derivatives and the value of the underlying asset or index. In addition, there is a risk that the performance of the derivatives or other instruments used by ETFs to replicate the performance of a particular asset or asset class may not accurately track the performance of that asset or asset class.

- Leverage Risk – Leverage (borrowing) may be used in investment and trading, generally through purchasing inherently leveraged instruments, such as certain ETFs. The prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested. Borrowing magnifies the potential for losses and exposes the client to interest expense on money borrowed. Leveraged ETFs and derivatives will amplify losses because they are designed to produce returns that are a multiple of the equity index to which they are linked.
- Mutual Funds and Exchange Traded Funds (“ETFs”) Risk – Mutual funds and exchange traded funds (“ETF”) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds or ETFs, derivatives and other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. This results in mutual funds and ETFs being subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of the investment strategy will be higher than the cost of investing directly in a mutual fund and/or ETFs. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be “closed end” or “open end”. So-called “open end” mutual funds continue to allow in new investors indefinitely whereas “closed end” funds have a fixed number of shares to sell which can limit their availability to new investors. ETFs can also be subject to tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, an ETF may not have investment exposure to all of the securities included in its underlying index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

- REITs Risks - Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as Sovran are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s or prospective client’s evaluation of Sovran or the integrity of its management. Examples of such events would include, but are not limited to, instances where Sovran, or a management person of Sovran: (i) was convicted of, or pled guilty or nolo contendere (“no contest”) to a crime of moral turpitude; (ii) is the subject of an administrative proceeding before the SEC, any other federal or state regulatory agency; or (iv) any other legal or disciplinary event that is material to a client’s or prospective client’s evaluation of Sovran’s business or the integrity of its management. Neither Sovran, nor its management persons, have any such legal or disciplinary events and therefore has nothing to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Martinson is a part owner of Bamboo Insurance Services, Inc., an affiliated life, health, disability, and other fixed insurance company. There are times when representatives of Sovran recommend the purchase of certain insurance products to Sovran clients. Should the client purchase such products through Bamboo Insurance Services, Mr. Martinson will receive profits and other related compensation. A conflict of interest exists because the representatives have an incentive to make recommendations based on the compensation received rather than on a client’s needs. In order to mitigate this conflict, it is disclosed to clients through this Brochure and relevant Brochure Supplements. Clients always have the right to decide whether or not to implement any recommended transactions by the Firm. Should the client choose to do so, the client always has the right to choose the professional in which to do so. Sovran clients should understand that lower fees and/or commissions for comparable services may be available from other sources.

Additionally, Mr. Martinson owns and operates Spectrum Consulting Group (“SCG”), a bookkeeping, payroll processing, and other business-related services affiliated with Sovran due to common ownership. At times, representatives of Sovran will recommend clients utilize the services of SCG for their business-related needs. Should clients of Sovran choose to engage SCG, Sovran representatives who are also employed by SCG will receive normal compensation for their respective role with SCG. Additionally, as Sovran and SCG have common ownership, profits received by SCG will be shared by owners of Sovran. In order to mitigate these conflicts, they are disclosed to clients through this Brochure and relevant Brochure Supplements. Further, clients are made aware – typically through the delivery of this Brochure, that they always have the right to decide whether or not to implement any recommended transactions by the Firm are

under no obligation to utilize SCG for their accounting or other business-related needs, and are free to select any firm of their choosing.

When leaving an employer, Clients typically have four options regarding their existing retirement plan: (1) leave the assets in the former employer's plan, if permitted, (2) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (3) roll over the assets to an Individual Retirement Account ("IRA"), or (4) take a full withdrawal in cash, which would result in ordinary income tax and a penalty tax if the person is under age 59 1/2. At times, as part of its services, the Firm recommends that Clients roll over their 401(k) or other qualified plan assets to an IRA, this rollover recommendation presents a conflict of interest in that the Firm would receive compensation (or may increase current compensation) when investment advice is provided following the Client's decision to roll over plan assets. Clients who have assets in retirement accounts elsewhere would potentially pay a larger fee if rolled into an IRA or Roth IRA with Sovran as the adviser. Sovran will only recommend rollovers if it's in the best interest of the Client. Instances, where it may be in the best interest of the Client, are to simplify their account management (reduce the number of retirement accounts), have professional management of their account, limited investment options at current retirement plan, and/or high administrative fees. Prior to making a decision, each Client should carefully review the information regarding rollover options and are under no obligation to rollover retirement plan assets to an account managed by Sovran.

Additionally, outside of his activities at Sovran, Mr. Martinson – the Firm's President and CCO, is an owner and control person, and investment adviser representative of Spectrum Planning & Advisory Services Inc., d/b/a Bamboo Wealth Strategies ("BWS") - an advisory firm registered with the Securities and Exchange Commission. Should clients of Sovran choose to engage BWS for advisory services, Mr. Martinson will share in profits received by BWS due to his having an ownership interest in that company. In order to mitigate this conflict, it is disclosed to clients through Sovran's Disclosure Brochure and this Brochure Supplements. Further, neither Sovran nor BWS pay any referral fees or other direct compensation for the referral or receipt of clients.

Neither Sovran nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity pool trading advisor or an associated person of the foregoing entities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Description of Code of Ethics

Sovran is a fiduciary who owes its Clients undivided loyalty. This fiduciary obligation imposes upon Sovran and its associated persons a duty to deal fairly and to act in the best interest of its Clients. In addition, this obligation imposes upon Sovran and its associated persons numerous responsibilities, including the duty to render disinterested and impartial advice; to make suitable recommendations within the context of the total portfolio to Clients in light of their needs, financial circumstances and investment objectives; to exercise a high degree of care to ensure that adequate and accurate representations of its business and other information about securities are presented to Clients; and to not engage in fraudulent, deceptive or manipulative practices.

To this end, Sovran has adopted a Code of Ethics (“Code”) which establishes standards of conduct for the Firm’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information.

Because Sovran’s investment professionals and associated persons will at times transact in the same securities for personal accounts as they buy or sell for Client accounts, it is important to mitigate potential conflicts of interest. As such, Sovran has adopted personal securities transaction policies in its Code, which all of Sovran’s associated persons must follow. Specifically, the Code requires personnel to report personal trades and holdings and prohibits or requires pre-clearance for certain trades in certain circumstances. The Code also contains procedures for reporting violations and enforcement. The Code is reviewed and distributed to personnel annually. Sovran will provide a copy of its Code of Ethics to any Client or prospective Client upon request. Please contact Sovran at (619) 246-1172.

B. Participation or Interest in Client Transaction

It is Sovran’s policy not to enter into any principal transactions or agency cross transactions on behalf of Client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory Client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction.

Sovran or individuals associated with Sovran will at times buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by Clients. Alternatively, Sovran could cause Clients to buy a security in which Sovran or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the Client. Nevertheless, such practices present conflicts of interest. To mitigate these conflicts, Sovran has adopted a Code of Ethics, which outlines the procedures regarding personal trading that must be followed (see details below). Additionally, as part of Sovran’s fiduciary duty to Clients, Sovran and its supervised persons will endeavor at all times to act in the Client’s best interest and at all times are required to adhere to Sovran’s Code of Ethics.

C. Personal Trading

On occasion employees of Sovran will buy for their own accounts securities which Sovran also recommends to Clients. It is possible that officers or employees of Sovran will buy or sell securities or other instruments that Sovran has recommended to Client and engage in transactions for their own account in a manner that is inconsistent with Sovran’s recommendations to a Client. Personal securities transactions by employees raise conflicts of interest when such persons trade in a security that is owned by, or considered for purchase or sale for, a Client.

In order to mitigate this conflict of interest and to comply with all applicable laws and regulations, Sovran’s Code of Ethics sets forth the professional and fiduciary standards that all

associated persons must follow. The Firm's intention is to protect Client interests at all times and to demonstrate Sovran's commitment to its fiduciary duties of honesty, good faith and fair dealing with Clients. All associated persons are expected to adhere strictly to the policy and are required to follow specific procedures regarding personal trading, including:

- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Conduct all personal securities transactions in a manner consistent with the adopted policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- Comply with applicable provisions of the federal securities laws and similar state statutes and rules.

Sovran and its Associated Persons will also at times buy or sell specific securities for their own accounts based on personal investment considerations, which Sovran does not deem appropriate to buy or sell for Clients.

ITEM 12: BROKERAGE PRACTICES

When the Firm places orders for the execution of portfolio transactions for Client accounts, transactions are allocated to the Client's broker-dealer for execution in various markets at prices and commission rates that, based upon good faith judgment, will be in the best interest of the Client. Clients should be aware that in most instances, the broker-dealer performing such transactions also serves as the client's custodian. The following discussion summarizes the material aspects of the Firm's practices for the selection of broker-dealers to execute Client transactions.

A. Discretionary Authority and Selection Criteria

All separately managed account clients are required to establish custodial accounts with a qualified custodian of record. Sovran will only implement its investment management recommendations after the Client has arranged for and furnished the Firm with all information and authorization regarding accounts with appropriate financial institutions to act as custodian. In addition, in most cases, a Client's broker-dealer also acts as the custodian of the Client's assets for little or no extra cost. Clients should thoroughly consider, however, the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Factors which Sovran considers in recommending broker-dealers include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by particular brokers selected by Sovran can be higher or lower than those charged by other broker-dealers.

Sovran generally affects all transactions for separately managed accounts through the broker dealer. Sovran periodically evaluates the commissions charged and the service provided by the broker- dealer and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative broker-dealers. Other factors Sovran considers when evaluating its choice of broker dealer include:

- Ability to trade mutual funds and other investments that Sovran determines suitable for a Client's portfolio;
- Any custodial relationship between the Client and the broker-dealer;
- Excellent customer service;
- Interaction simplicity with the Adviser;
- Discount transaction rates; and
- Reliability and financial stability.

For those clients who select broker-dealers not recommended by Sovran, clients should be aware that Sovran will often not be able to negotiate specific brokerage commission rates with the broker on the Client's behalf, or seek better execution services or prices from other broker-dealers. As a result, the Client could end up paying higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case and that Sovran will have limited ability to ensure the broker-dealer selected by the Client will provide best possible execution.

B. Best Execution

Sovran will generally seek "best execution" in light of the circumstances involved in transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Sovran will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction. Consistent with the foregoing, while Sovran will seek competitive rates, it will not always obtain the lowest possible commission rates for Client transactions.

To ensure that brokerage firms selected by Sovran are conducting overall best qualitative execution, Sovran will periodically (and no less often than annually) evaluate the trading process and brokers utilized. This evaluation will include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

1. Research and Other Soft Dollar Benefits

Sovran maintains relationships with, and recommends the services of, various qualified third-party broker-dealer custodians. In connection with these relationships, Sovran receives certain benefits. As further described below, such benefits include research reports, services and seminars, computer software and other products and services to assist the Firm in research and

other facets of its day-to-day activities. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” The Firm’s receipt of soft dollar services and products benefit Sovran since client brokerage fees are used to obtain such benefits and the Firm does not have to produce or pay for the research, products or services. Consequently, Sovran has an incentive to select or recommend a broker-dealer based on these benefits rather than in the clients’ interest in receiving most favorable execution. These practices could also cause Clients to pay fees that are higher than those that another qualified broker-dealer might charge to effect the same or similar transaction.

Some of these services are provided to Sovran as part of a “bundled package” from the broker dealer. Sovran does not attempt to match a particular client’s trade executions with broker-dealers who have provided research services which have directly benefited that client’s portfolio. Rather, research services and other soft dollar benefits received by Sovran are generally used for the ultimate benefit of all of its clients. Alternatively, some of the services will benefit only a specific segment of Sovran’s Clients.

To help mitigate the conflicts of interest created by Sovran’s receipt of soft dollar benefits and to help ensure that broker-dealer custodians recommended by the Firm are conducting overall best qualitative execution, Sovran will periodically evaluate its trading process and brokers utilized. Sovran will review the brokerage firm’s services, their value added to the Firm’s investment process along with the broker’s ability to affect trades in a fair and timely manner at competitive commission rates. At that time brokerage firms not currently utilized will be considered for inclusion if the President of Sovran deems that such brokerage firms will significantly improve the Firm’s overall management of client accounts.

2. Directed Brokerage

Under certain circumstances, Sovran allows a client to direct the Firm to execute all or a portion of client transactions through a specific broker (“Directed Brokerage”). If that is the case, the client should understand that: (1) Sovran generally does not negotiate specific brokerage commission rates with the broker on client’s behalf, or seek better execution services or prices from other broker/dealers and, as a result, the Client could end up paying higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case; and (2) transactions for that account generally will be effected independently unless Sovran is able to purchase or sell the same security for several clients at approximately the same time (“block trade”), in which case the Firm will include such client’s transaction with that of other Clients for execution by the same broker. If transactions are not able to be traded as a block, the Firm will have to enter the transactions for the Client’s account after orders for other Clients, with the result that market movements could work against the Client. Therefore, prior to directing the Firm to use a specific broker-dealer, a Client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that he/she might not obtain commissions rates as low as it might otherwise obtain if Sovran had discretion to select or recommend other broker-dealers. Consequently, Directed Brokerage could result in the client paying more money for brokerage services.

Subject to its objective to achieve best execution, Sovran reserves the right to decline a Client's request to engage in Directed Brokerage if, in Firm's sole discretion, such Directed Brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker dealers.

C. Trade Aggregation and Allocation

Sovran typically effects transactions for each client account independently, and therefore is usually unable to aggregate client orders. However, when able to, the Firm will typically aggregate trades of accounts. Trade aggregation, or "bunching of orders," often results in better execution and/or better realized prices. Because Sovran's Investment Management Services utilize various types of investments and securities, it is not always possible to bunch orders. Alternatively, even when possible, Sovran not always be able to execute all shares of an aggregated trade because of prevailing market conditions and other variables, in which case the Firm will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade. In certain cases, the Firm will not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability and account restrictions. For clients requiring directed brokerage, the Firm typically will not be able to effectively "bunch" orders on the client's behalf, which could impact the possible advantage clients derive from the aggregation of orders.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Accounts are monitored on an ongoing basis, which includes detailed periodic reviews. The frequency of reviews is at the discretion of Sovran, but accounts are typically reviewed not less than annually. Accounts are reviewed for performance, consistency with the investment strategy and Client objectives, and other account parameters in order to determine if any adjustments need to be made. Reviews are performed by the investment adviser representative performing services for the respective Client.

B. Other Reviews and Triggering Events

In addition to the periodic reviews described above, reviews can be triggered by changes in a Client's personal, tax or financial status. Account holdings also are reviewed when changing market conditions warrant such review. Clients are encouraged to notify the Firm and its advisory representatives of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

C. Regular Reports

Written account statements are generated no less than quarterly and are sent directly from the account custodian. These statements list the account positions, activity in the account over the covered period, and other related information, including any fees deducted from the account. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived. Clients are urged to carefully review all account statements.

In addition, clients typically receive other supporting reports from mutual funds, trust companies, broker-dealers or insurance companies based on their involvement with the account and their applicable internal reporting requirements. The Firm does not independently send reports to Clients. However, as part of its relationship with Orion Portfolio Solutions, Clients will receive written quarterly reports directly from Orion that provides, among other things, Client holdings and performance. These reports are automatically posted in the Client's online "portal" with Orion and are subsequently mailed or emailed to Clients based upon the Client's elected delivery methodology.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Incoming Referrals/Referring Clients to Third Parties

Sovran does not receive any economic benefit, directly or indirectly from any third-party for advice rendered to our clients. Nor does Sovran directly or indirectly compensate any person who is not advisory personnel for client referrals.

However, as disclosed in Item 10 above, representatives of Sovran will at times refer clients to SCG and/or BWM, affiliated firms, and owners of the Firm will share in profits generated by those firms should the client engage SCG and/or BWM for services. Please refer to Item 10 above for additional information and conflicts of interest.

B. Economic Benefits Received

As discussed under Item 12, Sovran receives "soft dollar" benefits whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Sovran in its investment decision-making process. The receipt of such services are deemed to be the receipt of an economic benefit by Sovran, and although customary, these arrangements give rise to conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a Client's interest in receiving most favorable execution.

Additionally, as mentioned above, certain Sovran representatives have outside business activities that provide additional compensation. There also exists affiliated companies of Sovran (due to common ownership), whereby owners of Sovran share in profits of such affiliated companies that can be utilized by Sovran clients. Please refer to Item 10 above, and/or the respective representative's Form ADV Part 2B, for detailed information regarding these business activities, the compensation received, the related conflicts and how Sovran mitigates such conflicts.

ITEM 15: CUSTODY

Pursuant to the Investment Advisers Act of 1940, the Firm is deemed to have "constructive custody" of client funds because we have the authority and ability to debit our fees directly from the accounts of those clients receiving our services. Additionally, certain clients have, and could in the future, sign a Standing Letter of Authorization ("SLOA") that gives us the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give us custody. Custody is defined as any legal or actual ability by the firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempts us from the surprise audit rules if certain conditions (in addition to steps 1 through 3 above) are met. Those conditions are as follows:

1. When debiting fees from client accounts, we must receive written authorization from clients permitting advisory fees to be deducted from the client's account.
2. In the case of SLOAs, we must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to our firm, and (ii) ensure that certain requirements are being performed by the qualified custodian.

The qualified custodian that is selected by a client maintains actual physical custody of client assets. Client account statements from custodians will be sent directly to each client to the email or postal mailing address that is provided to the qualified custodian selected by the client. Clients are encouraged to compare information provided in reports or statements received by our firm with the account statements received from their custodian for accuracy. In addition, clients should understand that it is their responsibility, not the custodian's, to ensure that the fee calculation is correct.

If client funds or securities are inadvertently received by our firm, they will be returned to the sender immediately, or as soon as practical.

We encourage our clients to raise any questions with us about the custody, safety, or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

Sovran requires full investment discretion over (1) which securities are to be bought or sold in Client accounts; (2) the amount of securities to be bought or sold in Client accounts; and (3) when transactions are made. This means that Sovran does not have to obtain prior consent from the Client when investing Client assets. In addition, Sovran's authority to trade securities could be limited in certain circumstances by applicable legal and regulatory requirements. In some instances, Sovran's discretionary authority can be limited by conditions imposed by Clients on Sovran's discretionary authority, including restrictions on investing in certain securities or types

of securities. All such limitations, restrictions, and investment guidelines must be provided to Sovran in writing.

B. Limited Power of Attorney

By signing Sovran's Agreement, clients authorize Sovran to exercise this full discretionary authority with respect to all investment transactions involving the client's investment management account. Pursuant to such Agreement, Sovran is designated as having limited power of attorney with discretionary authority to effect investment transactions in the client's account which authorizes Sovran to give instructions to third parties in furtherance of such authority.

ITEM 17: VOTING CLIENT SECURITIES

Sovran has adopted a policy not to accept proxy voting authority with respect to client securities holdings. Consequently, all proxy solicitations related to securities held by clients will be sent directly to clients for voting. In the event a proxy solicitation is sent to Sovran on a client's behalf, it is the Firm's practice to forward the solicitation to the client's address of record immediately so that they may cast the proxy vote. While Sovran will at times answer client questions related to proxies, please note that Sovran will not be deemed to have proxy voting authority solely as a result of providing information relating to a particular proxy to an inquiring client.

ITEM 18: FINANCIAL INFORMATION

Sovran does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. Sovran does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.