

Cynosure Capital Management

(A division of The Cynosure Group, LLC)

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This brochure provides information about the qualifications and business practices of Cynosure Capital Management, a division of The Cynosure Group, LLC. If you have any questions about the contents of this brochure, please contact us at 801-521-3100. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about The Cynosure Group, LLC also is available on the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov (click on the link “Investment Adviser Search” and then select “Firm” and type in our advisory firm name “The Cynosure Group”).

The Cynosure Group, LLC is an investment adviser registered with the SEC (a “registered investment adviser”). This registration does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

The following is a discussion of the material changes to Cynosure's brochure since its last update on March 31, 2023.

- Revisions to reflect the name change of Cynosure Management, LLC (the registered investment adviser entity) to The Cynosure Group, LLC.
- Separate Brochures have now been created with respect to each of The Cynosure Group, LLC's three main divisions (Cynosure Capital Management, Cynosure Partners, and Cynosure Wealth Advisors). This Brochure has been updated with respect to the Cynosure Capital Management division, including updates to various sections within the Brochure to reflect the services provided by this division and certain additional information and disclosures in Item 5: Fees and Compensation, Item 8: Risk of Loss, and Item 17: Voting Client Securities.

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ITEM 4: ADVISORY BUSINESS

General Firm Overview

The Cynosure Group, LLC (“Cynosure” or the “Firm”), is a Utah limited liability company formed in 2015 and is registered with the SEC as an investment adviser, with its principal office in Salt Lake City, Utah, and places of business in the following states: California, Florida, Illinois, Massachusetts, New Jersey, and New York. Cynosure is principally owned by The Randal Quarles and Hope Eccles Family Trust and Spencer P. Eccles each owning more than 25%.

Cynosure offers advisory services in the following three divisions: Cynosure Capital Management, Cynosure Partners, and Cynosure Wealth Advisors.

As of September 30, 2023, The Cynosure Group collectively managed approximately \$3,717,517,538 in discretionary assets and \$125,583,913 in non-discretionary assets across all three divisions.

The following sections of this brochure relate solely to Cynosure Capital Management. Each other division is described in greater detail in their own Brochure, which are available online at adviserinfo.sec.gov/firm/summary/281399.

Cynosure Capital Management

Assets Under Management

As of September 30, 2023, CCM managed approximately \$542,000,749 in discretionary assets.

Cynosure Capital Management (“CCM”) seeks to provide outsourced investment advisory services on behalf of foundations, endowments, and related individuals. As part of its engagement, CCM will enter into a discretionary Investment Advisory Agreement (“Agreement”) with a client (“Advisory Client”). Subject to the terms and conditions of the Agreement, the CCM will develop and implement a continuous investment program on behalf of the Advisory Client, which services will include one or more of the following:

Base Portfolio Advisory Services

- The development of an investment program for the Advisory Client, determined in consultation with the Advisory Client, based on an analysis of various factors, including, without limitation, the Advisory Client’s investment goals, tax position, diversification requirements, other assets held outside of the portfolio, social concerns, and risk tolerance.
- Implementation of an investment program through allocation and rebalancing of the Advisory Client’s assets to various liquid marketable investment strategies through investments in separate accounts managed by CCM and (to the extent permitted by the investment management agreement) sub-advisors selected by CCM.
- Oversight and monitoring of the investment program, including portfolio characteristics, cash flows and risk, on an on-going basis and adjustment of the same from time to time in response to changing market conditions, Advisory Client circumstances or other factors.

Multi-Asset Portfolio Advisory Services

- In addition to the Base Portfolio Advisory Services, where suitable and appropriate, implementation of a multi-asset investment program through material allocation of the Advisory Client's assets to various illiquid alternative investments and/or pooled investment vehicles.
- Oversight and monitoring of the multi-asset investment program, including managing diligence and ongoing oversight of private fund managers, negotiating investment terms, participating in fund investor advisory committees, managing capital calls including, when appropriate, the implementation of capital call facilitates, employing tax strategies, liquidity planning, risk management, and where appropriate, dynamic portfolio rebalancing and hedging.

Advisory Clients may impose reasonable conditions, restrictions, or instructions regarding the management of the above portfolio (i.e., investment guidelines), including (but not limited to) the designation of particular securities or types of securities that should not be purchased for the portfolio, or that should be sold if held in the portfolio. The imposition of a requirement that particular securities or types of securities not be purchased for the Advisory Client's portfolio is subject to written approval by both CCM and Advisory Client prior to implementation.

ITEM 5: FEES AND COMPENSATION

Management Fee

As compensation for the advisory services rendered by CCM, the Advisory Client will pay a portfolio advisory fee (the "**Advisory Fee**") which shall be calculated based on one of the following:

For Base Portfolio Advisory Services, the Advisory Fee will be equal to the annualized fee rate of the applicable asset level multiplied by the fee base ("**Fee Base**") as described below.

<u>Asset Level</u>	<u>Annualized Fee Rate</u>
First \$7,500,000	0.70%
\$7,500,000 to \$50,000,000	0.50%
Above \$50,000,000	0.35%

For Multi-Asset Portfolio Advisory Services, the Advisory Fee will be equal to the annualized fee rate of the applicable asset level multiplied by the fee base ("**Fee Base**") as described below.

<u>Asset Level</u>	<u>Annualized Fee Rate</u>
First \$7,500,000	0.95% - 1.15%
\$7,500,000 to \$50,000,000	0.75% - 0.95%
Above \$50,000,000	0.60% - 0.75%

The Advisory Fee shall be calculated quarterly in advance or quarterly in arrears and the quarterly rate shall be equal to one-fourth (25%) of the Advisory Client's annualized Advisory Fee rate multiplied by the

Fee Base calculated as of or through the last day of the quarter. For any period during which CCM renders services for less than the entire quarterly period, the Advisory Fee shall be calculated on a pro rata basis.

The Fee Base will be calculated as follows:

Asset Type	Fee Base
Liquid Marketable Securities and Cash	Average daily balance during the quarter for which the Advisory Fee is being calculated.
Cynosure Investment Vehicle that holds Private Direct Investments ¹	<p>Aggregate unreturned capital contributions made to the Cynosure Investment Vehicle by Advisory Client as of the last day of the quarter for which the Advisory Fee is being calculated. Proceeds from dividends of operating income (i.e., not including dividends from leveraged recapitalizations, liquidations, partial asset sales, or similar capital events with respect to the underlying investment) and current income will not be considered a return of capital contributions as it relates to the Fee Base.</p> <p>The Fee Base shall be reset under either of the following situations:</p> <ul style="list-style-type: none"> a) If Cynosure engages a third-party valuation firm to confirm a Private Direct Investment's fair value, the Fee Base for the quarter in which such confirmation is received (and each quarter thereafter unless reset by a subsequent valuation) will be the Advisory Client's pro-rata share of the Private Direct Investment's gross fair value as confirmed by the third party. b) In the case of a partial liquidation of a Private Direct Investment, the new Fee Base will be the remaining fair value of the

¹ The term "Cynosure Investment Vehicle" means any Affiliated Fund, any single asset investment vehicle, or any other investment vehicle, in each case which is formed as a legal entity which is established and managed by Cynosure for the purposes of investing client assets in private companies ("Private Direct Investments"), funds managed by third parties ("Private Fund Investments") or loans, loan pools, private real estate or other non-publicly traded securities ("Other Private Investments").

	Advisory Client's investment as determined by the transaction price from the partial liquidation.
Cynosure Investment Vehicle that invests in Private Fund Investments, excluding Hedge Funds	Net asset value of the Advisory Client's investment in the Cynosure Investment Vehicle owning the Private Fund Investment, measured as of the final day of the quarter immediately preceding the quarter for which the Advisory Fee is being calculated. The net asset value shall be derived from the Advisory Client's capital account statement for the Cynosure Investment Vehicle. *
Private Fund Investments that are not held in a Cynosure Investment Vehicle, excluding Hedge Funds ("Unaffiliated Fund")	Net asset value of the Advisory Client's investment in the Private Fund Investment, measured as of the final day of the quarter immediately preceding the quarter for which the Advisory Fee is being calculated. The net asset value shall be derived from the capital account statement provided by the General Partner of the fund. *
Hedge Funds (inclusive of Cynosure Investment Vehicles and Unaffiliated Funds)	Net asset value of the Advisory Client's investment in the hedge fund, which shall be based on the value of the Advisory Client's capital account in the fund as of the end of each month during the relevant calendar quarter.
<p>* In the event that the requisite prior quarter net asset value is not yet available at the time the Advisory Fee is to be paid and collected, Cynosure shall estimate the Fee Base using commercially reasonable methods and then apply a 10% discount to the calculated Advisory Fee before collecting payment. When the requisite prior quarter net asset value data has been made available to Cynosure, Cynosure shall recalculate the quarterly fee and collect the Advisory Fee amount, if any, in excess of the estimate that was previously collected. In the event the estimated Advisory Fee is higher than the Advisory Fee actually due based on the quarter end data, Cynosure will refund such excess promptly to the Advisory Client. No interest shall be due on any such trued up Advisory Fee payment (whether from or to the Advisory Client).</p>	

For Advisory Clients who have acquired investments prior to engaging CCM and wish to retain them as portfolio holdings on a continued basis (or "Legacy Assets"), Cynosure will consider, as a professional courtesy, to accept such requests and, in turn, make necessary arrangements with a broker-dealer/custodian. Cynosure has sole discretion as to whether requests to intake Legacy Assets will be granted; however, under no circumstances, will Cynosure maintain a fiduciary obligation to manage these assets and costs of retaining Legacy Assets will be paid by the Advisory Client.

Additional Fees and Expenses

In addition to the Advisory Fee payable in accordance with the above, to the extent any Portfolio assets are allocated to internally managed strategies, Advisory Clients will pay an annualized rate of twenty basis points (0.20%) multiplied by the liquid marketable securities fee base described above. The fee for internally managed strategies shall be calculated quarterly in advance or in arrears and the quarterly rate shall be equal to one-fourth (25%) of the Client's annualized fee rate.

Brokerage Expenses

Expenses paid to third parties in connection with the acquisition or disposition of investments are borne by the Advisory Clients. These expenses include brokerage commissions, other account fees, custodial expenses, agent bank and other bank service fees, travel and related expenses and other investment costs, fees, and expenses incurred in connection with completed investments. Brokerage and other transaction costs are also discussed in more detail in Item 12 – "Brokerage Practices".

Other Fees and Expenses

CCM's fees are exclusive of, and in addition to, charges imposed by custodians, brokers, third party investment managers, sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes at custodians and on securities transactions.

Advisory Clients are responsible for paying certain fees and other expenses separately and in addition to the management fees paid to Cynosure for the management of the Advisory Client's portfolio pursuant to the Investment Advisory Agreement. In addition to those already listed above, these may include (but are not limited to) separately managed accounts with sub-advisor fees as well as fees charged to investors in mutual funds (including money market funds for cash management purposes), exchange traded funds ("ETFs") or privately offered investment vehicles. Specifically, Advisory Clients invested in one or more funds and other pooled investment vehicles will pay their pro rata share of additional expenses incurred through each vehicle, including payments made by such vehicle for third-party services such as management fees, performance fees or special allocations paid to such vehicle's investment manager, audit, tax, accounting, legal, custody and other administrative fees.

These fees and expenses are disclosed to Advisory Clients more fully in various disclosure documents provided by the sub-advisor, fund manager or other authorized party responsible for each investment Strategy into which a client's assets are allocated.

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

Not applicable.

ITEM 7: TYPES OF CLIENTS

CCM generally provides advisory services to, among others, high-net worth families; trusts, estates, or charitable organizations; corporations and businesses. Typically, a minimum investment amount of \$10 million is imposed but can be subject to a reduction upon prior agreement by CCM. Advisory Client account values may be combined for family members to meet the stated minimum.

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

Methods of Analysis and Investment Strategies

In general, CCM works with each of its Advisory Clients to develop customized investment strategies based on an analysis of various factors, such as each Advisory Client's investment objectives, tax position, diversification requirements, other assets held, social concerns, risk tolerance, etc.

Once this analysis has been completed, CCM constructs a portfolio by allocating assets among various strategies through investments in separately managed accounts with sub-advisors or pooled investment vehicles (including alternative private investment funds).

Overall, strategies fall within four key allocation categories identified as Stable Value, Diversified Income, Public Equity, and Private Equity. Stable Value includes money markets and liquid fixed income, with the attributes of this category encompassing income, risk mitigation and liquidity. Diversified Income includes subcategories referred to as Absolute Income or Opportunistic Income, which is made up of preferred equity, private debt, real estate, natural resources, and infrastructure. Attributes of this category encompass diversification, high cash yield, and inflation protection. Public Equity includes public stock and equity hedge funds, with attributes of this category encompassing high total return with modest income potential, and liquidity. Finally, Private Equity includes buyout, growth and venture capital, with the attributes encompassing high total return with modest income potential.

CCM performs ongoing monitoring and rebalancing based on the need to maintain appropriate risk-levels and targeted returns, subject to tax, trading and liquidity considerations.

Advisory Clients may also direct CCM to construct a portfolio based on a single or limited number of Strategies that is not part of a comprehensive portfolio management program.

Risk of Loss

As with any investment strategy, the investment programs developed by CCM involve a number of significant risks. The following is a discussion of some of the primary risks; however, it is not possible to identify all the risks associated with investing, and the particular risks applicable to an Advisory Client's account will depend on the nature of the investments chosen.

No Assurance of Investment Return

All investments in securities include a risk of loss of principal (invested amount) and any profits remaining in the account. The performance of any investment is not guaranteed. CCM cannot guarantee performance or that a loss will not be experienced. Investing in securities involves a risk of loss that each Advisory Client must be prepared to bear.

General Economic and Market Conditions

The success of an Advisory Client's activities will be affected by the continued economic volatility as well as general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of an Advisory Client's investments), trade barriers, currency exchange controls, and national

and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations or public health considerations).

Common Risks Associated with Investing in Securities Generally

Investments in securities may be subject to a number of risks, including the following:

- **Current Market Conditions.** In recent years, global debt and equity markets have experienced increased volatility and turmoil, which can adversely affect a portfolio.
- **Liquidity in Financial Markets.** The financial markets in the U.S. and elsewhere have experienced a variety of difficulties and changed economic conditions, which could adversely affect the value of a portfolio's assets.
- **Government Intervention and Market Disruptions.** The global financial markets have undergone fundamental disruptions that have led to extensive and unprecedented government intervention that could prove detrimental to the efficient functioning of the markets and adversely affect a portfolio.
- **Inflation.** Inflation and rapid fluctuations in inflation rates have had in the past, and could in the future have, negative effects on the economies and financial markets, which may in turn affect the markets in which an Advisory Client invests. For example, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation, such as (for example) raising interest rates, often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on an Advisory Client's investment returns.
- **Force Majeure Events.** There is a risk that a Client's investments will be impacted by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, such as energy blackouts, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes and telecommunication failures). Certain force majeure events (such as an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries or jurisdictions in which investments are located. Additionally, a major governmental intervention into industry, including but not limited to the nationalization of an industry or the assertion of control over an investment, could result in a loss to a client. Any of the foregoing would therefore adversely affect the performance of an Advisory Client's investments.

Common Risks Associated with Equity Investments

Investments in equity securities may be subject to a number of specific risks, including the following:

- **Equity Securities.** Equity securities (stocks) held in a portfolio may decrease in response to activities of companies or market and economic conditions.
- **Growth Stocks.** Growth stocks may be more sensitive to market movements because their prices tend to more heavily reflect future investor expectations rather than just current profits. They may also underperform value stocks during given periods.

- **Value Stocks.** Value stocks may perform differently from the market as a whole and may be undervalued by the market for a long period of time. They may also underperform growth stocks during given periods.
- **Small-Capitalization Companies.** Small cap stocks may exhibit erratic earnings patterns, competitive conditions, limited earnings history, and a reliance on one or a limited number of products.
- **Initial Public Offerings.** Initial public offerings (IPOs) are subject to high volatility and limited availability.
- **Private Placements.** Private placements may be classified as illiquid and be difficult to value.
- **Derivative Securities.** Derivatives may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in value of the underlying security. The use of derivatives can result in losses in a portfolio that substantially exceed the initial amount paid or received from the investment.

Common Risks Associated with Fixed Income Investments

Investments in fixed income securities can expose clients to certain specific risks such as the following:

- **Credit Risk.** Fixed income securities (bonds) are subject to the risk that the bond issuers may not be able to meet interest or principal payments when the bonds come due.
- **Below Investment Grade Rated Securities.** Below investment grade bonds are subject to a higher probability that the issuers may not be able to meet payment of interest or principal on a timely basis or at all. These securities also may be less liquid than investment grade securities and experience higher price volatility. It may not be possible to sell these securities at the desired price and within a given time period.
- **Interest Rates.** Interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall. Interest rates continue to be at historic lows. Investments with longer maturities, which typically provide higher yields than securities with shorter maturities, may subject a portfolio to increased price changes resulting from market yield fluctuations.
- **Income Risk.** The income received by a portfolio may decrease as a result of a decline in interest rates.
- **Prepayment Risk.** There is a risk of prepayment in mortgage- and asset-backed securities. This risk arises when market interest rates are below the interest rates charged on the loans that comprise the securities. Elevated prepayment activity may result in losses in these securities.
- **Liquidity Risk.** Investments that trade less can be more difficult or more costly to buy, or to sell, than more liquid or active investments. It may not be possible to sell or otherwise dispose of illiquid securities both at the price and within a time period deemed desirable. Securities subject to liquidity risk include emerging market securities, Rule 144A securities, below investment grade securities and other securities without an established market.
- **Foreign Investments.** Foreign investments often involve additional risks, including political instability, differences in financial reporting standards and less stringent regulation of securities markets.

- **Derivative Securities.** Derivatives may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in value of the underlying security. The use of derivatives can result in losses that substantially exceed the initial amount paid or received.
- **Rule 144A Securities.** Rule 144A securities are not registered for resale in the general securities market and may be less liquid than registered securities.

Common Risks Associated with Alternative Investments

Investments in alternative investment strategies (such as private equity, private debt, hedge fund, real asset and dynamic allocation strategies) can expose clients to certain specific risks associated with the following:

- **Derivative Securities.** Derivatives may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in value of the underlying security. The use of derivatives can result in losses that substantially exceed the initial amount paid or received.
- **Short Sales.** A short sale involves the risk of a theoretically unlimited increase in the market price of a security sold short, which could result in an inability to cover the short position and a theoretically unlimited loss.
- **High Yield Securities.** High yield securities are rated in the lower rating categories by the various credit agencies and are subject to greater risk of loss of principal and interest than higher rated securities. High yield securities generally are considered predominantly speculative with respect to the issuer's capacity to pay interest and repay principal.
- **Options.** Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so an investor loses their premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security, which could result in a potentially unlimited loss.
- **Foreign Securities.** Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.
- **Foreign Currency Markets.** Investments in foreign securities expose a portfolio to fluctuations in currency exchange rates, which may adversely affect the value of investments in foreign securities held in a portfolio.
- **Currency Risks.** Investments denominated in a foreign currency are subject to the risk that the value of a particular currency will change in relation to one or more currencies.
- **Interest Rates.** Interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall.
- **Leverage.** The use of borrowing (leverage) exposes an investor to additional levels of risk including greater losses from investments than would otherwise have been the case without borrowing; margin calls or changes in margin requirements may force premature liquidations of investments; and losses on investments where the investment fails to earn a return that equals or exceeds the cost of the leverage.
- **Lack of Diversification.** Alternative investment funds may not generally be as diversified as other investment vehicles. Accordingly, such investments may be subject to more rapid change in value

than would be the case if the funds were required to maintain a wide diversification among types of securities, geographical areas, issuers, and industries.

- **Event-Driven Trading.** Event-driven trading involves the risk that the event identified may not occur as anticipated or may not have the anticipated effect, which may result in a negative impact upon the market price of securities held in the portfolio.
- **Liquidity.** A portfolio's assets may, at any given time, include securities and other financial instruments or obligations that are thinly traded or for which no market exists and/or which are restricted as to their transferability under applicable securities laws. The sale of any such investments may be possible only at substantial discounts, and it may be extremely difficult to value accurately any such investments.

Common Risks Associated with Non-U.S. Investments

In addition to the risks associated with investing in equity securities described above, investments in non-U.S. securities can expose clients to certain additional risks, including the following:

- **Foreign Markets.** Foreign markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.
- **Foreign Securities.** Foreign securities are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets.
- **Foreign Currency Markets.** Investments in foreign securities expose a portfolio to fluctuations in currency exchange rates, which may adversely affect the value of investments in foreign securities held in a portfolio.
- **Emerging Markets.** Securities traded in certain emerging markets may be subject to risks due to the inexperience of financial intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets may lack the social, political, and economic stability characteristics of more developed countries.

Private Equity and Hedge Funds

An Advisory Client may invest in securities representing limited partnership interests (or their equivalent) in private equity and hedge funds. Such investments are generally subject to the risks with respect to restrictions on transfer or resale, the lack of liquidity to which such investments may be subject and the effect of such illiquidity on valuations, and the loss of certain protections offered under the securities laws to holders of registered securities. In addition to the foregoing, an Advisory Client's investments in hedge funds could be subject to other risks, including, without limitation, the risk that restrictions on redemptions may prevent a client from exiting a hedge fund investment during periods of market stress. Investments in private equity and hedge funds are speculative and could subject a client to the risk that the strategy chosen by the fund's investment manager to achieve the fund's objective will not be successful. As a limited partner (or its equivalent), the client will have little or no control over the management of a private equity or hedge fund in which it is invested or the investment decisions of the fund's investment manager.

Cybersecurity Breaches, Identity Theft, Privacy Breaches, and Other Threats

Cynosure's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Cynosure has policies and procedures and has implemented various measures to manage the risks related to these events; however, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Cynosure may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Cynosure's operations and result in a failure to maintain security, confidentiality, or privacy of sensitive data, including personal information relating to its clients. Such a failure could harm Cynosure's reputation or subject it or its affiliates to legal claims or otherwise affect their business and financial performance, potentially resulting in financial loss. Additionally, any failure of Cynosure's information, technology or security systems could have an adverse impact on its ability to manage the portfolios of clients.

Legal or Legislative Risk

Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

Public Health Emergencies

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on an Advisory Client and its investments. The extent of the impact of any public health emergency on the operational and financial performance of a client will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of an Advisory Client's investments as well as the ability to achieve its investment objectives, all of which could result in significant losses to the Advisory Client. In addition, Cynosure may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

Reliance on CCM

The success of each Advisory Client will depend in part upon the skill and expertise of CCM's investment professionals. There can be no assurance that such professionals will continue to be associated with Cynosure, and a loss of the services of key personnel could impair CCM's ability to provide services to Advisory Clients.

ITEM 9: DISCIPLINARY INFORMATION

Neither Cynosure or any of its respective professionals have been the subject of any legal or disciplinary matter of an investment-related nature that would be material to an existing or prospective Advisory Client's evaluation of Cynosure's advisory business or the integrity of its management.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Cynosure, nor any of Cynosure's senior management team is registered as a broker-dealer, or as a registered representative of a broker-dealer, nor is there any present intention to do so. Likewise, neither Cynosure, nor any of Cynosure's personnel is registered as a futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of any such entities.

Cynosure Wealth Advisors and Cynosure Partners

In addition to CCM, Cynosure has two additional separate business divisions: Cynosure Wealth Advisors and Cynosure Partners, which provide investment advisory services, either directly or through co- and sub-advisory arrangements, to separately managed accounts and various Cynosure-sponsored investment vehicles.

Pooled Investment Vehicles

Cynosure has a 50 percent interest in 4C GPS GP I, LLC, which is the general partner of 4C GPS I, LP, 4C GPS II, LP, and 4C GPS III, LP, three private funds that own an interest in GPS Hospitality. The remaining 50 percent interest in 4C GPS GP I, LLC is owned by 4612 Group, LLC, a Registered Investment Advisor, CRD # 287619, headquartered in Atlanta, Georgia.

Cynosure Partners 2020 GP, LLC is the general partner to certain pooled investment vehicles of Cynosure.

Related General Partners/Managing Members

Cynosure is under common control with several general partners/managing members of Cynosure-sponsored pooled investment vehicles. Cynosure, either directly or indirectly, enters into investment advisory agreements to provide all investment advisory services regulated by the Advisers Act to certain Cynosure-sponsored pooled investment vehicles.

Other Activities and Relationships

The employees of Cynosure and its affiliates may serve on the boards of directors of portfolio companies of Cynosure-sponsored pooled investment vehicles. Serving in such a capacity may give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director may conflict with the interests of an Advisory Client.

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

Code of Ethics

Cynosure has established and approved a Code of Ethics that sets forth standards of ethical conduct for employees and is designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act. Among other things, the Code of Ethics prescribes standards for dealing with clients ethically, addresses conflicts of interest issues, and supplements personal trading and operating procedures, including Cynosure's Policies and Procedures regarding Material, Non-Public Information and the prevention of Insider Trading. The Code of Ethics provides guidance in specific areas, including but not limited to, confidentiality of Cynosure information, personal investments, gifts and entertainment, protection of persons who engage in "whistle blowing" activities from retaliation and personal political activities. This Code of Ethics is available to Advisory Clients, investors or prospective clients or investors by writing to **The Cynosure Group, LLC, 111 S. Main Street, Suite 2350, Salt Lake City, UT, 84111, Attn: Investor Relations.**

Misuse of Nonpublic Information

Cynosure and its supervised persons may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Cynosure and its supervised persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, even if such other person is an Advisory Client. Accordingly, should Cynosure or its supervised persons come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating such information to, or using such information for the benefit of, its clients, and have no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, its clients or Cynosure personnel when following policies and procedures designed to comply with law.

Cynosure has adopted as a part of the Code a "Policy Statement on Insider Trading" which establishes procedures to prevent the misuse of material nonpublic information by Cynosure's supervised persons. Among other things, Cynosure maintains a "restricted list" of securities in which Cynosure may not trade because Cynosure or its personnel may be in possession of material non-public information concerning the issuer. In addition, Cynosure requires that all personnel must read, sign, and adhere to Cynosure's policy on insider trading.

Personal Securities Trading

Cynosure requires its personnel to pre-clear all personal trades in securities transactions, an initial public offering, or a private placement. In addition, employees are required to submit quarterly reports of their personal transactions in any reportable securities accounts within 30 days of the end of each calendar quarter to the CCO or designee. Employees also must report all securities holdings in reportable accounts to the CCO or her designee initially upon commencement of employment and annually thereafter. These are reviewed by the CCO to ensure compliance with Cynosure's policies.

Principal Transactions

Cynosure, as an investment manager, or an affiliate in limited circumstances engages in principal transactions (i.e., transactions in which Cynosure or an affiliate is deemed to be acting for its own account

by buying a security from, or selling a security to, an Advisory Client). These transactions introduce a potential conflict of interest between its own interests and those of the Advisory Client.

Cynosure has established policies and procedures to comply with the Advisers Act when engaging in principal transactions with Advisory Clients. Additionally, investment guidelines and an Advisory Client's charter documents may limit principal transactions on a more restrictive basis than the Advisers Act. In general, Cynosure avoids secondary market transactions.

Notice and Consent

Cynosure will notify the Advisory Client itself or a duly appointed, independent representative of the Advisory Client to obtain consent for any principal transaction.

Other Notice and Consent Considerations

In general, Cynosure will not engage in principal transactions with accounts of a retirement plan subject to ERISA unless approved by Cynosure's General Counsel, Chief Compliance Officer, and, if necessary, competent ERISA counsel.

Conflicts of Interest

Various potential and actual conflicts of interest may arise between and among CCM, its Advisory Clients and each of their affiliates. The following briefly summarizes some of these conflicts but is not intended to be an exhaustive list of all such conflicts. Please also see Items 6, 8 and 12 for additional disclosures related to other potential conflicts of interests that may arise and Cynosure's efforts to mitigate or address such risks.

Subject to any reasonable investment guidelines or restrictions imposed in the Advisory Client's Investment Advisory Agreement and when in accordance with CCM's fiduciary duties under applicable law, CCM has the discretion to invest *all* or a portion of the assets of an Advisory Client's managed portfolio in various pooled investment vehicles sponsored or managed by Cynosure or its affiliates ("Cynosure Investment Vehicle"). Under such circumstances, the Advisory Client will pay two separate levels of compensation to Cynosure or its affiliates: (i) the management fee paid to CCM described in Item 5, and (ii) the Advisory Client's pro rata share of additional expenses incurred as an investor in each affiliated vehicle, including (as applicable) such vehicle's payments for management fees, performance fees or special allocations to the Cynosure Investment Vehicle, affiliated investment manager, general partner and/or managing member under the relevant Governing Documents. This represents a conflict of interest as CCM has an incentive to invest Advisory Client portfolio assets in affiliated vehicles for which Cynosure or its affiliates receive such additional compensation, as opposed to investing portfolio assets in unaffiliated vehicles that may have more or less favorable fee terms. CCM's ability to invest portfolio assets in Cynosure's Investment Vehicles is disclosed in the Advisory Client's Investment Management Agreement and Advisory Clients will have the ability to impose reasonable limits in the amount of portfolio assets that can be invested in affiliated vehicles as part of such agreement's investment guidelines or restrictions.

Allocation of Investments

Cynosure has established allocation policies and procedures addressing Cynosure's duties to allocate investment opportunities among Advisory Clients in a fair and equitable manner. The policies seek to provide consistent treatment of such Advisory Clients with similar investment objectives and guidelines to the extent possible, consistent with legal, regulatory and contractual restrictions. Cynosure's policies prohibit the allocation of investment opportunities based solely on anticipated compensation or profits to Cynosure or any affiliates or their professionals. Each Advisory Client typically has its own investment guidelines, governing agreements and geographical and industry focus that must be taken into account when making investment allocation determinations.

ITEM 12: BROKERAGE PRACTICES

CCM has discretion to select brokers and dealers to execute transactions in securities and other instruments for Advisory Clients. CCM seeks to obtain best execution for orders executed for Advisory Clients, taking into account quantitative and qualitative factors affecting the execution quality of portfolio transactions. In particular, CCM reviews factors, such as (among others) the experience of the broker or the dealer, its ability to handle the order to the best advantage of the Advisory Client, the nature of the investments to be bought or sold, special circumstances affecting the instrument (*e.g.*, redemption features), and the overall price of the order. As a result, although Cynosure will seek competitive commissions and spreads, it may not necessarily obtain the most competitive price/commission/spread for portfolio transactions.

Bunching or Aggregating Trades

Individual Advisory Client trades may be aggregated if aggregation is believed to benefit the Advisory Client and to be consistent with CCM's obligation to seek best execution. CCM is not obligated to aggregate Advisory Client trades, however, and there may be reasons, such as Advisory Client specifications or logistics of the trade itself, where aggregation is not possible. In such situations, the inability to aggregate the trade could result in an increase in transaction costs for the Advisory Client.

CCM may trade the same instruments for multiple Advisory Clients with a particular broker throughout the day. Where possible, the price at which that particular broker handles these multiple orders generally will be averaged among the multiple Advisory Client accounts during a trading day. Trades with a particular broker that occur in the same instruments for multiple Advisory Clients on the same day may be averaged across multiple Advisory Client accounts if determined by CCM to be fair, reasonable, and appropriate under the circumstances. All exceptions to Cynosure's policy on the aggregation of trades must be approved by Cynosure's Chief Compliance Officer or designee.

Trade Errors

CCM seeks to detect and correct trade errors. Should a trade error occur, CCM will address such error in accordance with Cynosure's trade error policies and procedures.

Soft Dollars

Cynosure does not currently participate in any soft dollar relationships with brokers for research or any other service. To the extent Cynosure engages in soft dollar arrangements in the future, it will adopt soft dollar policies and procedures in accordance with applicable law.

ITEM 13: REVIEW OF ACCOUNTS

CCM regularly monitors investment accounts to ensure compliance with the Advisory Client's stated goals and objectives. Generally, Advisory Client investment accounts are reviewed on a quarterly basis, and no less than annually, to assess the past investment performance, manager recommendations, portfolio risk, opportunities to rebalance and the overall effectiveness of the investment program.

CCM personnel are available to meet with Advisory Clients upon request and, upon reasonable request, will tailor reporting to meet the particular needs of an Advisory Client.

Reporting

The broker-dealer or custodian of the Advisory Client's account provides the Advisory Client with transaction confirmation notices and regular summary account statements independent of CCM. Those Clients to whom CCM provides Portfolio Advisory Services may also receive a written report that may include such relevant account and/or market-related information such as inventory of account holdings and account performance on a quarterly basis.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, CCM may receive client referrals from both affiliated and unaffiliated parties. In these circumstances, Cynosure may pay the referral source a referral fee in accordance with the requirements of Rule 206(4)-1 of the Advisers Act and any applicable corresponding state securities law requirements. CCM will pay any referral fee solely from its fee and will not increase the Advisory Client's fee nor impose any additional charge on the Advisory Client. If the Advisory Client is introduced to CCM by an unaffiliated party, the Advisory Client will be provided with a copy of the Brochure and a copy of a disclosure statement containing the terms and conditions of the referral arrangement including compensation. Any affiliation party of CCM making a referral will disclose the nature of the affiliation to the prospective Advisory Client at the time of the referral and all prospective Advisory Clients will be provided with a copy of CCMs' Brochure.

ITEM 15: CUSTODY

CCM does not take possession of or physical custody of Advisory Client assets. Advisory Client assets will be maintained at a Qualified Custodian. However, under Rule 206(4)-2 of the Advisers Act, where standing letters of authority are maintained for certain Advisory Client accounts, Cynosure is deemed to have custody of Advisory Client assets. Cynosure maintains policies and procedures regarding Advisory Client assets over which it is deemed to have custody. All Advisory Clients will receive at least quarterly statements from the broker-dealer, bank, or other custodian ("Qualified Custodian") that holds and maintains the Advisory Client's cash and investment assets. CCM urges its Advisory Clients to carefully

review these statements and compare them to the account statements that CCM provides. CCMs' statements may vary from the statements of the Qualified Custodian based on accounting procedures, reporting dates or valuation methodologies of certain securities. The statements of the Qualified Custodian are the official record of the Advisory Client accounts.

ITEM 16: INVESTMENT DISCRETION

At the outset of an advisory relationship, CCM typically receives authority to exercise investment discretion on behalf of Advisory Clients. CCM is considered to exercise investment discretion over an Advisory Client's account if it can effect and/or direct transactions in Advisory Client accounts without first seeking consent. CCM is given this authority through applicable provisions included in the Investment Advisory Agreement between CCM and the Advisory Client. Advisory Clients may request, in writing, reasonable limitations on this authority (such as certain securities not to be bought or sold). For discretionary advisory mandates, CCM takes discretion over the following activities: 1) the individual securities to be purchased and sold; 2) the amount of the securities to be purchased or sold; 3) the timing of when transactions are made; and 4) the hiring and firing of independent managers.

ITEM 17: VOTING CLIENT SECURITIES

CCM will accept the authority to vote an Advisory Client's securities (i.e., proxies) on their behalf. This authority is generally granted through the execution of the Investment Advisory Agreement. If an Advisory Client elects to vote proxies themselves, they shall receive proxies directly from the custodians and may contact CCM at the contact information on the cover of this brochure with any questions about any such issuer solicitations.

For Advisory Client accounts where proxy authority has been granted, CCM has, or will accept, authority to vote public company securities and other debt instruments (*e.g.*, loans) held by an Advisory Client and has adopted policies and procedures (the "Proxy Voting Policies and Procedures") that it believes are reasonably designed to comply with the requirements of the Advisers Act.

Under the Proxy Voting Policies and Procedures, unless faced with a conflict of interest between or among Advisory Clients, CCM will vote proxies in a manner that serves the best interest of its Advisory Clients. The Proxy voting process is facilitated and monitored by Cynosure's Client Experience Team who is responsible for arrangements with Cynosure's proxy voting vendor, ProxyEdge, to vote in line with management recommendations unless a conflict of interest is identified. As conflicts of interest may arise, CCM will address such conflict in accordance with its Proxy Voting Conflict of Interests policies and procedures.

CCM's Proxy Voting Policy is assigned by default to all discretionary advisory accounts. As a result, depending on the Advisory Client's particular circumstances, CCM may vote one Advisory Client's securities differently than it votes those of another Advisory Client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, CCM may

determine that it is in the Advisory Client's best interest for CCM to "abstain" from voting or not to vote at all and will do so accordingly.

Proxy voting reports, identifying how proxies were voted where Cynosure has been delegated proxy voting authority, and Cynosure's Proxy Voting Policies and Procedures are available upon written request to **The Cynosure Group, LLC, 111 S. Main Street, Suite 2350, Salt Lake City, UT, 84111, Attn: Investor Relations.**

Class Actions

Generally, CCM will not render any advice to or take any actions on behalf of Advisory Clients with respect to the initiation or pursuit of any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments transacted or held in Advisory Client accounts, or the issuers thereof, become subject. The right to take any actions with respect to any legal proceedings, including bankruptcies and shareholder litigation, and the right to initiate or pursue any legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in an Advisory Client's account is the Advisory Client's responsibility. The Advisory Client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the assets managed by CCM, including, but not limited to, class action lawsuits.

ITEM 18: FINANCIAL INFORMATION

Not applicable.