

**TRIUMPH CAPITAL MANAGEMENT**  
**FORM ADV PART 2A APPENDIX 1 WRAP FEE BROCHURE**  
August 25, 2022

This wrap fee program brochure provides information about the qualifications and business practices of Triumph Capital Management. You should review this brochure to understand your relationship with our firm and your Investment Advisor Representative. If you have any questions about the contents of this brochure, please contact us at (720) 399-5555. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Triumph Capital Management is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Triumph Capital Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Triumph Capital Management is 282814.

**Triumph Capital Management**

Headquarters: 1610 Wynkoop Street, Suite 550, Denver, CO 80202  
Phone: (720) 399-5555 E-Mail: [Info@TriumphCapitalManagement.com](mailto:Info@TriumphCapitalManagement.com)  
Website: [www.TriumphCapitalManagement.com](http://www.TriumphCapitalManagement.com)

**ITEM 2: MATERIAL CHANGES**

Below are material changes that have been made to this brochure since the date of our last annual update:

Item 4: Serves, Fees and Compensation, added language to comply with PTE 2020-02.

Item 9: Additional Information, added language to comply with PTE 2020-02.

If you would like another copy of this Brochure, please download it from the SEC website as indicated, on the cover page, or you may contact our Chief Compliance Officer, Brandon Drespling, at (720) 399-5555 or at [BrandonD@TriumphCapitalManagement.com](mailto:BrandonD@TriumphCapitalManagement.com).

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This Wrap Fee Brochure is being offered to you by Triumph Capital Management (“TCM”) in connection with the investment advisory services TCM provides. This Wrap Fee Brochure discloses information about the services that are provided by TCM and its Investment Advisor Representatives (“IARs”) and the way those services are made available to you, the client.

TCM is an investment management firm with office sites located in Denver, CO; Fort Collins, CO; Louisville, CO; and Malibu, CA. TCM’s headquarters is located at 1610 Wynkoop Street, Suite 550, Denver, CO 80202. TCM specializes in investment advisory services for high-net-worth individuals, families, trusts, estates, retirement accounts, pension plans, and profit-sharing plans. The firm was established by Mr. Derek Eichenwald, the firm’s principal owner, in 2016.

We are committed to helping clients build, manage, and preserve their wealth by providing strategic assistance to help clients achieve their stated financial goals. TCM may offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and TCM execute an engagement letter or one of TCM’s client agreement forms.

- Website: [www.TriumphCapitalManagement.com](http://www.TriumphCapitalManagement.com)
- Facebook: [www.facebook.com/triumphcapitalmanagement](http://www.facebook.com/triumphcapitalmanagement)
- Twitter: [www.twitter.com/triumph\\_info](http://www.twitter.com/triumph_info)
- LinkedIn: [www.linkedin.com/company/3268630/](http://www.linkedin.com/company/3268630/)
- YouTube: [www.youtube.com/channel/UCKC2QdvgprAFAVASQM40INw](http://www.youtube.com/channel/UCKC2QdvgprAFAVASQM40INw)
- GoToStage: [www.gotostage.com/channel/bcff543de66d4168a9b1a0e29c79e752](http://www.gotostage.com/channel/bcff543de66d4168a9b1a0e29c79e752)

#### **ITEM 4: SERVICES, FEES AND COMPENSATION**

##### **Investment Management and Supervision Services**

TCM offers discretionary investment management and investment supervisory services for a fee based on a percentage of your assets that are under management. These services include investment analysis, allocation of investments, quarterly and monthly portfolio statements, financial commentaries, and ongoing monitoring of client portfolios.

TCM will help in determining your portfolio composition based on your needs, portfolio restrictions, if any, financial goals, and risk tolerances. TCM will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables TCM to determine the portfolio best suited for your investment objectives and needs.

In performing our services, TCM shall not be required to verify any information received from you or from other professionals about you. If you request, TCM may recommend and engage the services of other professionals for implementation purposes. You have the right to decide whether to engage the services of any such recommended professional.

Once TCM has determined the types of investments to be included in your portfolio and allocated them, TCM will then provide ongoing portfolio reviews and management services to you. This approach requires us to periodically review your portfolio.

Our advisory services are tailored to meet the needs of our clients and seek to ensure that client portfolios are managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in industries or invest in limited amounts of securities in the investment management agreement.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. TCM has limited authority to direct the custodian to deduct our investment advisory fees from your account(s). Only with the appropriate authorization as indicated on your client agreement with TCM, can such fees be deducted.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account. Risks are further described in Item 6 of this Brochure.

For assets held in a multi-participant 401(k) account, TCM offers discretionary investment consulting. In these accounts, the client retains the right to act or not to act on the recommendations made by TCM. Our advisory services are limited to recommendations for the purchase of investments for your account or sale of investments in your account, which in each case TCM believes would be appropriate for your account considering the agreed-upon investment objectives, risk tolerance, and restrictions if applicable. Our client acknowledges that they are responsible for all purchases and sales made in their account(s).

You should be aware the compensation to TCM and your IAR will diverge per the advisory program chosen. This compensation to TCM and your IAR may be more than the amounts TCM would otherwise receive if you participated in another program. Because of the differences in fee schedules among the various advisory programs and services offered by TCM through your IAR, there is a financial incentive to recommend a program or service over another program or service offered. Additionally, TCM has a financial incentive to recommend rolling over assets not managed by TCM to accounts that are managed by its IARs. This presents a conflict of interest because there may be an incentive to make recommendations based on the amount of compensation that we receive rather than based on your needs. Your IAR will explain the specific costs of all programs recommended to you, and it will also be outlined in your agreement with TCM.

### **Discretionary Asset Management Services**

Prior to engaging TCM to provide investment advisory services, you will enter into a written agreement with us granting the firm the authority to supervise and direct, on an ongoing basis, investments in accordance with the client's investment objectives and guidelines. In addition, you will need to execute additional documents required by the custodian so as to authorize and enable TCM, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. TCM is authorized, in our discretion and without prior consultation with you to (1) buy, sell, exchange, and trade any investment company registered under the Investment Company Act of 1940, (2) determine the amount of securities to be bought or sold, and (3) place orders with the custodian. Any limitations on such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by TCM for you are:

- For discretionary clients, TCM requires that we are provided with authority to determine which securities and the amounts of securities to be bought or sold, as well as the custodian/broker to be

used.

- Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from custodian/brokers will be used to provide services to all our clients.

When exercising discretion, TCM may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and/or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which TCM then allocates to client accounts. Not all clients participate in all block orders.

### **Wrap Fee**

The wrap fee pricing structure allows the client to pay an all-inclusive fee for management, brokerage, clearing, custody, and administrative services. Ancillary charges such as account fees or transfer costs are not included in the wrap fee.

The annual fee for portfolio management services is billed quarterly or monthly, in arrears or advance. The fee is based on the average daily market value of the account or accounts during the billable period or based on the prior quarterly or monthly account ending balance. Account fees are calculated based on calendar days in any given year (leap years included). Due to deposits and/or trades settling, the prior quarterly or monthly account ending balance used for fee calculation may vary from the account value shown on the custodian statement. Fees are assessed on all assets under management, including securities, cash, and money market balances, unless otherwise noted in the client agreement. TCM can exclude positions for billing purposes. Margin debt balances do not reduce the value of assets under management. For accounts held at TD Ameritrade, clients have access to average daily balances and end of period balances through Black Diamond and TD Ameritrade portals.

TCM's maximum annual investment advisory fees are 3.00%. The specific advisory fees are outlined in your investment advisory agreement. Fees may vary based on the size of the account, the complexity of the portfolio, the extent of activity in the account or other reasons agreed upon by TCM and the client. In certain circumstances, our fees and the timing and calculation of the fee payments may be negotiated. TCM charges a minimum fee of \$150 annually, or \$12.50 monthly, for accounts held at TD Ameritrade.

In certain instances, TCM can aggregate asset amounts in accounts from a client's household to determine the advisory fee. This consolidation practice is designed to allow the client to benefit from an increased asset total, which could potentially lower the advisory fee, based on the asset levels in the fee schedule.

The TCM wrap fee, which includes both TCM's advisory fee and certain transaction fees, may be more or less than those charged by us to another client for similar services. Further, the TCM wrap fee may be more or less than the fees and commissions charged by other advisory firms, third-party asset managers, and brokerage firms if the services were acquired separately.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to TCM. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to

deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy. At our discretion, you may pay the advisory fees by check. If you have any questions relating to the accuracy of your management fee or the data inputs used to calculate your management fee, please reach out to the TCM Compliance Department at [Compliance@TriumphCapitalManagement.com](mailto:Compliance@TriumphCapitalManagement.com) and they will provide you with all information relating to fees.

### **Termination of Investment Advisory Agreement**

Either TCM or you may terminate the management agreement upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter or month in which the cancellation notice was given and refunded or billed to you. Upon termination, you are responsible for monitoring the securities in your account, and TCM will have no further obligation to act or advise with respect to those assets.

### **Internal Fees of Funds and Other Internal Costs**

Certain assets including but not limited to exchange traded funds, structured products, mutual funds, and alternative investments may be deposited or purchased in your accounts may be subject to other management and administrative fees as described in the prospectuses or agreements. These fees are independent of our fees and should be disclosed by the custodian or contained in each prospectus or agreement. Clients are strongly encouraged to read these explanations before investing any money.

Not all transaction-related expenses are covered by the wrap fee. Certain account charges by the custodian, commissions, and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our service agreement, and client-ordered transaction commissions are not covered. Please consult your custodian paperwork for a complete listing of their ancillary charges.

### **Third Party Asset Managers and Fees**

TCM provides investment advice and recommendations on the investment strategies of Third-Party Asset Managers (“TPAM” or “Managers”). Selected Managers are evaluated by TCM for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers. The intent of this service is to have a selected list of high-quality third-party investment management firms from which TCM selects one or more Managers to handle the day-to-day management of your account(s).

TCM’s IARs assist you with identifying your risk tolerance and investment objectives. IARs will recommend Managers in relation to your stated investment objectives and risk tolerance. You select a recommended Manager based upon your needs. TCM may act in either a “Manager of Managers” or “sub-adviser” capacity when it offers TPAM programs to you.

Managers selected for your investments need to meet several quantitative and qualitative criteria established by TCM. Among the criteria that may be considered are the Manager’s experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- A Manager's past performance is no guarantee of future results.
- There is a certain market and/or interest rate risk which may adversely affect any Manager's objectives and strategies, and could cause a loss in a client's account(s); and
- Client risk parameters or comparative index selections provided to TCM are guidelines only, and there is no guarantee that they will be met or not be exceeded.

TCM's IARs shall be available to answer questions you may have regarding your account and act as the communication conduit between you and the Manager. Managers may take discretionary authority to determine the securities to be purchased and sold for the client.

Information collected by our firm regarding Managers is believed to be reliable and accurate, but TCM does not necessarily independently review or verify it on all occasions. Performance reports may be produced by the respective Manager. Such performance reports will be provided directly to you and TCM. TCM does not audit or verify that these results are calculated on a uniform or consistent basis as furnished by a Manager directly to TCM or through the consulting service utilized by the Manager. However, TCM does monitor the results of the Manager.

TCM has entered into agreements with various independent program Managers. Under these agreements, TCM offers clients various types of programs sponsored by these Managers. All TPAMs to whom TCM will refer you will be licensed as investment advisors by your resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

TPAMs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the Manager's services, fee schedules, and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and the account is established.

**Manager of Managers:** When acting as a Manager of Managers for the TPAM program, your IAR assists you in selecting one or more TPAM programs believed to be suitable for you based on your stated financial situation, investment objectives, and financial goals. TCM and your IAR oversee your investment with the TPAM. TCM can track the performance of each Manager and has the authority to fire ineffective Managers and hire replacements on your behalf. TCM and your IAR are compensated for referring you to the TPAM program. This compensation generally takes the form of the TPAM sharing a percentage of the advisory fee you pay to the TPAM with TCM and your IAR. You will receive a written disclosure statement describing the nature of our relationship with the TPAM program, if any; the terms of our compensation arrangement with the TPAM program, including a description of the compensation that TCM will receive for referring you to the TPAM program; and the amount, if any, that you will be charged in addition to the advisory fee that you will pay to the TPAM as a result of our referral of you to the TPAM program. As part of establishing a new account, you will receive our Disclosure Brochure as well as the TPAM's Disclosure Brochure.

**Adviser of Sub-Adviser:** Under an adviser or sub-adviser relationship between TCM and the sponsor of the TPAM program, we are jointly responsible for the ongoing management of the account. Your IAR is responsible for assisting you with completing the investor profile questionnaire. While each TPAM may



have a different name for the questionnaire, your responses will assist the IAR with understanding your investment objectives, financial situation, risk tolerance, investment time horizon, and other personal information. Based on the information that you provide to the IAR, he or she will assist you in determining which TPAM model or portfolio strategy is appropriate for you.

TCM also receives compensation from TPAMs that are approved by TCM. TCM provides investment advice and recommendations on the investment strategies of TPAMs and these TPAMs compensate TCM accordingly. Selected Managers are evaluated by TCM for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers. The intent of this service is to have a selected list of high quality TPAMs from which you select one or more Managers to handle the day-to-day management of your account(s). Following recommendations by our IARs, you will have final authority to select a Manager. The IAR may assist you in completing appropriate documents.

Information collected by our firm regarding Managers is believed to be reliable and accurate, but TCM does not necessarily independently review or verify it on all occasions. Performance reports may be produced by the respective Manager. Such performance reports will be provided directly to you and TCM. TCM does not audit or verify that these results are calculated on a uniform or consistent basis as furnished by a Manager directly to TCM or through the consulting service utilized by the Manager. However, TCM does monitor the results of the Manager.

The fee that you pay your IAR is separate and in addition to the fee that you pay the TPAM. In addition to TCM's client agreement and Disclosure Brochure, you should review the Disclosure Brochure of the utilized TPAM for a breakdown of their additional fees.

Either party may terminate the TPAM agreement with written notice to the other party.

### **Triumph Turnkey Asset Management Program and Fees**

Similar to outside TPAMs, TCM offers Triumph Turnkey Asset Management Program ("TTAMP") that is available to unaffiliated IARs, and licensed Financial Professionals ("FP") to utilize when evaluating investment options for their clients. TCM IARs are also able to enroll their clients in the TTAMP.

TCM believes the program provides investors an investment management solution with lower account minimums and costs than what is typical for the program's peers. Inside and outside FPs and IARs can access TTAMP which provides model portfolios and other portfolio management solutions that are managed by TCM.

Clients enrolled in TTAMP will pay TCM a monthly or quarterly fee to cover the cost of administering the program and for providing portfolio management. A portion of the TTAMP fee may be shared with the account custodian for providing custody, clearing and other services.

TCM will typically not accept a client into the program that is not introduced by a FP or IAR. The services to be provided and the expectations of the client, FP or IAR, and TCM are outlined in the client agreement, which may be amended in writing from time to time. Clients are free to direct the account in any manner that meets their objectives to include determining the asset allocation, models that may be

used, as well as any restrictions the client wishes to place on the account. Full model allocation may be limited due to account size. Small account values may result in allocation variances that deviate from the intended TTAMP model.

The introducing FP or IAR serves as a liaison between TCM and the client, and is responsible for gathering and communicating the client's financial information, risk tolerance, and investment objectives. Clients grant TCM discretionary authority to place trades for the account and when appropriate – relative to the client's investment objectives or any restrictions placed on the account by the client – to make changes to the asset allocation or model selection. By executing a Limited Power of Attorney, clients may also grant to their FP or IAR the authority to effect changes to the account to include the model selection and/or disbursement from an account. Once an account is established, TCM continuously monitors the allocation and/or models and executes all trades for the account. The FP or IAR will continue to service the client relationship by meeting with the client at least annually and communicating to TCM any necessary changes to the client's account. For these reasons, the client should acknowledge information sharing between the FP, or IAR and TCM, which can include personal non-public information.

FPs and IARs may provide other clerical or administrative duties for the client's account and may also provide other services outside and in addition to the services offered through the program. This Brochure describes the products and services offered by TCM and its IARs only. Since FPs and IARs may offer other third-party services in conjunction with, or outside those provided through the program, clients should read and review the introducing firm's Disclosure Brochure to fully understand the services being rendered to the client by the introducing firm through the FP or IAR.

You should be aware that the compensation to TTAMP and your IAR may be more than the amounts you would otherwise pay if you participated in another TPAM program. Because of the differences in fee schedules among the various advisory programs and services offered by TCM through your IAR, there is a financial incentive to recommend the TTAMP service over another TPAM program or service. This presents a conflict of interest because there may be an incentive to make recommendations based on the amount of compensation that TCM and the IAR receive rather than based on your needs. Your IAR will explain the specific costs of all programs recommended to you, and it will also be outlined in your agreement with TCM.

TCM charges a monthly or quarterly fee that covers the costs of administering the TTAMP as well as portfolio and model construction costs, trading, custody and clearing.

TCM offers flexibility regarding when and how the TTAMP fee is debited from client accounts. The TTAMP fee can be calculated monthly or quarterly, in advance or arrears, as a percentage of the account value using the average daily balance of each month/quarter or based on the prior month/quarter ending account balance. Due to deposits and/or trades settling, the prior month/quarter ending account balance used for fee calculation may vary from the account value shown on the custodian statement. The fee calculation will be clearly outlined in the client agreement, Section: Management Fees and Charges.

In most instances, the TTAMP fee is debited from the client account quarterly, based on the prior quarter ending account balance, and is exclusive (separate and in addition to) of the IAR/FP fee or other ancillary fees that may be applicable, such as internal fund fees or custodian maintenance fees. However, in certain instances, if requested, the TTAMP fee and the FP/IAR fee may be combined and debited from the client account together. This will be clearly outlined in the client agreement, Section: Management Fees and Charges.

For clients with more than one account, unless otherwise noted in the client agreement, each account is mutually exclusive for purposes of calculating and debiting the program fee. Through the account agreement, clients authorize TCM to debit the account and pay to the IAR/FP the IAR/FP fee as noted in the client agreement as compensation for introducing clients to the TTAMP, gathering and communicating the client’s financial information, assisting in the portfolio allocation, model selection, maintaining the account, informing TCM of any material changes in the client’s financial needs, as well as other administrative duties performed by the IAR/FP. The IAR/FP fee is negotiated between the client and IAR/FP and will also be noted in the client agreement. The TTAMP may present a conflict of interest to clients as cheaper investment programs may be available outside of TCM and the TTAMP.

The typical annual blended TTAMP fee that TCM will collect is presented in the chart below. Please note, this fee can vary based on the agreement with the FP/IAR and the platform for distribution. Please refer to your client agreement, Section: Management Fees and Charges, to clearly disclose the program fee associated with your account(s).

<b>Triumph Turnkey Asset Management Typical Fee (<i>may vary</i>)</b>	
<b>Account Value</b>	<b>TTAMP Fee</b>
\$0.00 - \$100,000	0.90%
\$100,000 - \$250,000	0.85%
\$250,000 - \$500,000	0.80%
\$500,000 - \$1,000,000	0.75%
\$1,000,000 - \$5,000,000	0.65%
\$5,000,000 - \$10,000,000	0.55%
Over \$10,000,000	0.35%

- TTAMP has a minimum annual fee of \$150, or \$37.50 quarterly, per account.
- In most instances, the TTAMP fee is separate and in addition to the IAR/FP fee.
- Please reference your client agreement “Section: Management Fees and Charges”.

**Managed by Triumph Capital Management at Security Benefits Fees**

The Managed by TCM at Security Benefit Program utilizes six models to manage client accounts that are opened and held at Security Benefit. The mutual funds that are available on the Security Benefit platform will be the only options available in the allocation mix of these models. On a monthly basis, the models are reviewed, and the investments inside of the model are reallocated. However, the models may remain the same and may not be reallocated at the discretion of the manager and his/her team if they determine that the current allocation is appropriate.

**Tactical Model at Security Benefit:** The Tactical model at Security Benefit seeks to provide absolute returns during any market cycle or condition by employing a weighted strategic rotation model, between commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash. Utilizing the funds available on the Security Benefit platform, the Tactical model will select and weigh heavily into a selection of asset classes from the categories listed above that TCM believes is experiencing the most strength, while attempting to avoid those asset classes which the manager and

his/her team believe are in a downward trend or don't show as much promise to the upside. The asset classes are then weighted on or near the last trading day of each month.

**Conservative Model at Security Benefit:** The Conservative model at Security Benefit seeks to protect principal over seeking appreciation. Utilizing the funds available on the Security Benefit platform, the Conservative model focuses on an investment strategy that emphasizes capital preservation and risk minimization through a diversified and balanced portfolio of commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash.

**Moderate-Conservative Model at Security Benefit:** The Moderate-Conservative model at Security Benefit values principal preservation but will accept a small degree of risk and volatility to seek some degree of appreciation. The Moderate-Conservative model seeks to accept lower returns, while accepting minimal losses. Utilizing the funds available on the Security Benefit platform, the Moderate-Conservative model focuses on an investment strategy through a diversified and balanced portfolio of commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash.

**Moderate Model at Security Benefit:** The Moderate model at Security Benefit seeks to reduce risks and enhance returns equally. The Moderate model accepts modest risks to pursue higher long-term returns and may endure a short-term loss of principal in exchange for long-term appreciation. Utilizing the funds available on the Security Benefit platform, the Moderate model focuses on an investment strategy through a diversified and balanced portfolio of commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash.

**Aggressive-Moderate Model at Security Benefit:** The Aggressive-Moderate model at Security Benefit values higher long-term returns and is willing to accept significant risk. The Aggressive-Moderate model is willing to endure large losses in favor of potentially higher long-term returns. Utilizing the funds available on the Security Benefit platform, the Aggressive-Moderate model focuses on an investment strategy through a diversified and balanced portfolio of commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash.

**Aggressive Model at Security Benefit:** The Aggressive model at Security Benefit seeks to maximize returns and is willing to accept substantial risk. The Aggressive model is willing to risk losing money to achieve potentially better results. Utilizing the funds available on the Security Benefit platform, the Aggressive model focuses on an investment strategy through a diversified and balanced portfolio of commodities, REITs, bonds and other fixed income investments, international equities, domestic equities, and cash.

All six models involve risk, including the loss of principal. Past performance is not a guarantee of future results. The Managed by TCM at Security Benefit models may not achieve their goals. Market and economic risk may adversely affect the Managed by TCM at Security Benefit models that could result in capital losses in your account. Investing involves risk of loss which you should be prepared to bear. Please consider the charges, risks, expenses, limited investment options, and your overall objectives carefully before investing in any of the Managed by TCM at Security Benefit models. The mutual funds, ETFs, and/or sub-accounts that are available on the Security Benefit platform will be the only options available in the allocation mix in these models. The Managed by TCM at Security Benefit models are not intended to manage all client assets or to address all of their needs. The models intend to provide clients, who are suitable and have a covered account with Security Benefit, options for managing those assets.

Accounts enrolled in the Managed by TCM at Security Benefit program will be managed inside of the model selected on the client agreement. Model allocations are not personalized to individual investors. Accounts in the Managed by TCM at Security Benefit models are custodian with Security Benefit. Clients should receive at least quarterly statements from Security Benefit. We urge you to carefully review these statements and compare them to the account statements that we may provide you, if applicable. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your IAR or our Chief Compliance Officer should you have any questions or concerns regarding your account.

The Managed by TCM at Security Benefit Program is limited in nature and is not intended to address all your advisory needs. Additional services are available by separate agreement. Please review this brochure thoroughly and consult with your IAR about the additional services that are available to you. Inclusion in this program is limited and subject to TCM's discretion. TCM may prohibit any person from participating for any reason or no reason at all.

Advisory fees for the Managed by TCM program at Security Benefit range from 1.0% to 1.5% depending upon the Security Benefit option chosen. The fee is charged in advance on a quarterly basis, based on the prior quarters account ending balance. Due to deposits and/or trades settling, the prior quarterly account ending balance used for fee calculation may vary from the account value shown on the custodian statement. Clients have access to prior quarter account ending balances through their quarterly Security Benefit statement. If you have any questions relating to the accuracy of your management fee or the data inputs used to calculate the management fee, please reach out to the TCM Compliance Department.

The independent qualified custodian, Security Benefit, will debit your account directly for the advisory fee and pay that fee to TCM. You will provide written authorization permitting the fees to be paid directly from your account held by Security Benefit. Further, Security Benefit agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from your account.

Security Benefit determines the values of the assets in your portfolio. Security Benefit charges an additional 0.25% annual custodial fee. Security Benefit also charges \$35 per year for account balances less than \$50,000 (no fee for account balances more than \$50,000). These fees are separate and in addition to the TCM annual fee of 1.0% to 1.5%. Please review the Security Benefit Mutual Fund program brochure and the prospectus for further details on fees and expenses.

In addition to the fees described above, securities used in the Managed by TCM program at Security Benefit, i.e., mutual funds, ETFs, sub accounts, etc. may be subject to other management and administrative fees as described in the prospectuses of these funds. These fees are independent of the fees disclosed above and should be disclosed by the custodian and/or contained in each prospectus or agreement from the fund company. Note, fees for comparable services vary and lower fees may be available from other sources.

In such cases where a load was paid on a Security Benefit purchase, TCM will not allow its IARs to enroll you into the Managed by TCM program at Security Benefit. If your IAR did not sell the Security Benefit program to you, this might not apply.

Security Benefit provides you with quarterly statements that detail fees and expenses. You should verify the calculation of these fees. Your custodian does not verify the accuracy of fee calculations. Either TCM or you may terminate the Managed by TCM at Security Benefit advisory agreement at any time with written notice to the other party.

### **Variable Product Advisory Management Fees**

A TCM IAR may offer you investment management services on the sub-account allocations within a variable product you own, such as a variable annuity or a variable universal life insurance policy. This service may be provided to you directly by your IAR on a discretionary basis, and this will be detailed in your advisory agreement. Your IAR may use his/her own analysis, research methods, investment style/strategy, and ongoing management philosophy when providing this investment management service to you.

If you engage your IAR to provide advice relative to your variable product, you will pay a fee for this service. This advisory fee is separate and in addition to the internal costs inherent to your variable product and will be calculated as a percentage of your variable product account value, including any cash or cash equivalent positions(s). When this service is provided to you directly by your IAR, the advisory fee is not to exceed 2% per year. The advisory fee you will be charged will be clearly outlined in the advisory agreement you sign with your IAR.

In such cases where a commission was paid on a variable product, TCM will not allow its IARs to charge a fee for this service for a period of two years following when he/she sold the variable product to you. If your IAR did not sell the variable product to you, this two-year waiting period may or may not apply.

### **Alternative Product Advisory Management Fees**

If you engage your IAR to provide advice relative to your alternative Investments, you will pay a fee for this service. This advisory fee is separate and in addition to the internal costs inherent to your alternative investment and will be calculated as a percentage of your alternative investment account value, as reported by the custodian where your alternative investment is held. When this service is provided to you directly by your IAR, the advisory fee is not to exceed 3% per year. The advisory fee you will be charged will be clearly outlined in the advisory agreement you sign with your IAR.

Due to commission payments and different purchase options associated with certain alternative investments, a conflict of interest may be present. This may create an incentive to make recommendations based on the compensation that your IAR receives rather than based on your needs. Alternative investments may have different share classes available for purchase including no load options. Please review the prospectus closely and discuss with your IAR. In such cases where a commission was paid on an alternative investment, TCM will not allow its IARs to charge a fee for this service for a period of three years following when the IAR sold the alternative investment to you. If your IAR did not sell the alternative investment to you, this three-year waiting period may or may not apply.

### **Self-Directed Brokerage Account Fees**

A Self-Directed Brokerage Account (“SDBA”) is a brokerage window that allows participants to select investment options outside of their employer’s core offerings while staying within the plan and receiving the associated tax benefits. SDBAs provide more flexibility and control, enabling diversified, targeted and strategic retirement investing. The SDBA is for investors who acknowledge and understand the risks associated with many of the investments contained in the SDBA. Your IAR will work with you to identify your investment goals and objectives, as well as risk tolerance, in order to create a portfolio allocation designed to meet your objectives while staying within any plan specific restrictions.

Many SDBAs prohibit the following:

- Selling short or using margin
- Trading in foreign securities (stocks, bonds)
- Trading in bulletin board or pink sheet stocks
- Trading real estate/property outside of approved REITs
- Trading currencies
- Trading limited partnerships
- Trading futures/commodities
- Trading promissory notes
- Trading collectibles
- Trading municipal bonds

TCM’s fee schedule for SDBA accounts is the same as our wrap fee schedule, which is negotiated between the plan participant and TCM, up to a maximum of 3.00% annually. TCM charges a minimum fee of \$150 annually, or \$12.50 monthly, for accounts held at TD Ameritrade.

Client will pay an annualized fee, which will cover advisory services provided to your account. Separate transaction charges for trading may be charged by your custodian. Ancillary charges such as account fees or transfer costs, etc., are also assessed against the account. Depending on the plan, additional trading fees can apply to the SDBA account(s). Therefore, unlike our wrap fee program above, the trading in the account could result in additional transaction fees. Please refer to your plans SDBA window, your retirement plan document, and consult your custodian for a complete list of fees, commissions, and other service fees that may apply.

### **Other Compensation**

The IARs of TCM receive a portion of the wrap fee paid by you for participation in the program. In addition, your IAR could also be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make the purchase or sale through the TCM IAR which are not covered by the wrap fee program. When selling products, a conflict of interest exists. This is due to the commission payment or fee structure associated with the insurance business. Your IAR may have an incentive to affect an insurance transaction for the purpose of generating compensation rather than basing their recommendations solely on your needs. TCM mitigates this conflict by monitoring its IAR’s outside business activities and their overall recommendations to you.

These products and other investments may be linked to your account statement. These investments are not a part of our wrap program and are excluded from the fee you pay unless included in our Managed by TCM at Security Benefit program, TTAMP program, Alternative Management program, or Variable Product Advisory Management program.

As disclosed under Brokerage Practices, TCM participates primarily in TD Ameritrade's Institutional customer program, and TCM may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program, and the investment advice TCM gives to our clients, although TCM receives economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by TCM or our personnel through participation in the program does not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, TCM endeavors always to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by TCM or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker we recommend being used by our clients; TCM has a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless always strive to act in your best interest.

From time to time, TCM may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or anticipated sales that will be made.

## **ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

TCM provides investment advice to individuals, high-net-worth individuals, families, small businesses,



foundations, trusts, and estates. TCM also provides investment advice on and to retirement accounts including but not limited to IRAs, SEP, Simple, Solos, retirement trusts, defined benefit plans, small business 401(k) plans and corporate 401(k) plans. Our minimum initial account value is \$25,000. TCM may waive account minimums at our sole discretion.

Certain TPAMs require a minimum account size and can vary from Manager to Manager.

## **ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Investment Philosophy**

TCM determines investments and allocations based upon a client's predefined investment objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio, and our investment strategies and advice may vary depending on each client's specific financial situation.

TCM selects specific investments for client portfolios using fundamental, cyclical and technical analysis, as well as charting. TCM gathers information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

TCM determines how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time to time, market conditions may cause your account to vary from the established allocation. To remain consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the prevailing economic conditions and within the guidelines of the chosen investment strategy. In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security. Cyclical analysis is a form of fundamental analysis that involves the process of making investment decisions based on the different stages of an industry at a given point in time.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume movements. Technical analysts do not attempt to measure a security's intrinsic value, but instead, use charts and other tools to identify patterns that can suggest future activity.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point, and Figure.

Our investment strategies may include long-term, and short-term holds as well as trading (securities sold within 30 days) and the use of options, margin, leverage, and short sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the type of investments to be held in your portfolio.

As much as reasonably possible, TCM strives to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible.

### **Third Party Asset Manager Selection and Evaluation**

TCM examines the experience, expertise, investment philosophies, and past performance of independent Managers to determine if that Manager has demonstrated an ability to invest over a period and in different economic conditions. TCM monitors the Manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, TCM surveys the Manager's compliance and business enterprise risks.

A risk of investing with a Manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a Manager's portfolio, there is also a risk that the Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as TCM does not control the Manager's daily business and compliance operations, TCM may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

### **Risk of Loss**

You are advised and are expected to understand our past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Investing in securities involves risk of loss which you should be prepared to bear.

There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolio from achieving its investment objectives. It is important to read all the disclosure information provided and to understand that you may lose money by investing in the any of our strategies.

You should be aware that your account may be subject to the following risks:

**Alternative Investments:** Alternative investments are illiquid investments and do not trade on a national securities exchange. Alternative investments typically include investments in direct participation program

securities (partnerships, limited liability companies, business development companies or real estate investment trusts), commodity pools, private equity, private debt, and hedge funds. Alternative investments are subject to various risks, such as illiquidity and property devaluation based on adverse economic and real estate market conditions.

Alternative investments are not suitable for all investors. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments.

You will find additional information regarding these risks in the product's prospectus. You can request a copy of a prospectus from your IAR. You should read the prospectus carefully before investing in an alternative investment.

**Capitalization:** Small-capitalization and mid-capitalization companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Cash and Cash Equivalents:** A portion of your assets may be invested in cash or cash equivalents to achieve your objective, provide ongoing distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.

**Credit:** The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade of an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Cryptocurrencies:** Cryptocurrencies are a relatively new innovation and the market for cryptocurrency is subject to rapid price swings, changes and uncertainty. The slowing, stopping, or reversing of the development of a cryptocurrency or the acceptance of said cryptocurrency may adversely affect the price of it. Cryptocurrencies are subject to the risks of fraud, theft, manipulation or security failures, operational or other problems that impact cryptocurrency trading venues. Unlike the exchanges for more traditional assets such as equity securities and futures contracts, cryptocurrencies and their trading venues are largely unregulated. As a result of the lack of regulation, individuals or groups may engage in fraud or market manipulation (including using social media to promote a cryptocurrency in a way that artificially increases the price of it). Investors may be more exposed to the risk of theft, fraud and market manipulation than when investing in more traditional asset classes. Over the past several years, a number of cryptocurrency trading venues have been closed due to fraud, failure or security breaches. Investors in cryptocurrencies may have little or no recourse should such theft, fraud or manipulation occur and could suffer significant losses. Legal or regulatory changes may negatively impact the operation of a cryptocurrency or restrict the use of it all together. The realization of any of these risks could result in a decline in the acceptance of any cryptocurrency and consequently a reduction in the value of it. Finally, the creation of a "fork" (a split within a cryptocurrency resulting in two distinct cryptocurrencies) or a substantial giveaway of a cryptocurrency (sometimes referred to as an "air drop") may result in significant and unexpected declines in the value of a cryptocurrency.

**Derivative:** Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting

one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.

**Equity Securities:** In general, prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to several different factors, including events that affect issuers as well as events that affect entire financial markets or industries. Small and mid-capitalization stocks may have greater price volatility, lower trading volume, and less liquidity than large capitalization stocks.

**Exchange-Traded Funds (“ETFs”):** ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund’s shares trading at either a premium or a discount to its “net asset value.”

**Fixed Income Securities:** The return and principal value of bonds fluctuate with changes in market conditions. Fixed income securities have interest rate risk and credit risk. As interest rates rise, existing bond prices fall and can cause the value of an investment to decline. Changes in interest rates generally have a greater effect on bonds with longer maturities than those with shorter maturities. If bonds are not held to maturity, they can be worth more or less than their original value. Credit risk refers to the possibility that the issuer of a bond will not be able to make principal and/or interest payments. High yield bonds, also known as “junk bonds”, carry higher risk of loss of principal and income than higher rated investment grade bonds.

**Foreign Securities and Currency:** Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Interest Rates:** In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.

**Market Risk:** Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money, and your investment may be worth less upon liquidation.

**Mutual Funds:** Mutual funds may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds, or U.S. government bonds. There are risks associated with each asset class. An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment, it is possible to lose money by investing in the fund. Redemption is at the current net asset value, which may be less than the original cost. Aggressive growth funds are most suitable for investors willing to accept price per share volatility since many companies that demonstrate high growth potential can also be high risk. Income from tax-free mutual funds may be subject to local, state and/or the alternative minimum tax. Because each mutual fund owns different types of investments, performance will be affected by a variety of factors. The value of your investment in a mutual fund will vary from day to day as the values of the underlying investments in a fund vary. Such variations generally reflect changes in interest rates, market conditions, and other company and economic news. Their risks may become magnified depending on how much a fund invests or uses

certain strategies.

You will find additional information regarding these risks in the prospectus for each individual mutual fund held in your account. You can request a copy of a prospectus from your IAR or by contacting the investment company directly.

Options: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Performance of Underlying Managers: We select the mutual funds and ETFs in the asset allocation models. However, TCM depends on the Manager of such funds to select individual investments in accordance with their stated investment strategy.

Securities Lending: Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

## **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

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

Non-public information is information about you not accessible to the public. Your social security number, net worth, and annual income are examples of non-public information. Public information is information about you readily accessible to the public. Public information may include your name, phone number, and address.

For all accounts, including those in the programs described in this brochure, your IAR will have access to the non-public information provided by you in the account opening process. This information is protected in accordance with our Privacy Policy. Our Privacy Policy is available on our website and is provided upon opening your account and annually thereafter.

## **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

TCM does not place restrictions on the client's ability to contact and consult their IAR. If a client has chosen a third-party asset manager, your IAR can schedule a meeting with the portfolio manager, if requested. TPAMs are not required to be available for unscheduled or unannounced visits or calls by clients.

However, TPAMs are expected to periodically meet with clients and should generally be available to take client telephone calls on advisory-related matters.

## **ITEM 9: ADDITIONAL INFORMATION**

### **TD Ameritrade Institutional Program**

TCM seeks to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall advantageous when compared to other available providers and their services.

With this consideration, TCM participates primarily in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services that include custody of securities, trade execution, clearance, and settlement of transactions. TCM may receive certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment advisors participating in the program. TD Ameritrade provides the Additional Services to an advisor in its sole discretion and at its own expense, and an advisor does not pay any fees to TD Ameritrade for the Additional Services. An advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

There is no direct link between our participation in the program, and the investment advice TCM gives to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by TCM or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, TCM endeavors always to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by TCM or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Our receipt of Additional Services raises a conflict of interest. In providing Additional Services to us, TD Ameritrade most-likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with TCM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, TCM has an incentive to recommend to its clients that the assets under management by TCM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. TCM’s receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

In the event you request us to recommend a custodian/broker for execution and/or custodial services, TCM generally recommends your account to be maintained at TD Ameritrade. TCM may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon

any recommendations, you are under no obligation to place the transactions through any broker/dealer TCM recommends. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability, and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers, and the value of products, research, and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

TCM does not select or recommend custodian/broker based upon receiving client referrals from a custodian/broker or third party. TCM does not routinely recommend, request or require that you direct us to execute transactions through a specified custodian/broker. Additionally, TCM typically does not permit you to direct brokerage.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. TCM may use a custodian/broker other than your custodian to execute trades for your account. The practice of using other custodian/broker may result in additional costs to you so that we are more likely to place trades through your custodian rather than through another custodian/broker. Your custodian's execution quality may be different than another custodian/broker.

TCM will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

- Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the custodian/broker(s) through which such transactions will be placed;
- TCM will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek the best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.
- No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
- If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the intended allocation;
- Notwithstanding the foregoing, the order may be allocated on a different basis if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our CCO. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
- TCM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
- Individual advice and treatment will be accorded to each advisory client.

As a matter of policy and practice, we do not utilize research, research-related products, or other services obtained from custodian/broker(s) or third parties on a soft-dollar commission basis.

### **Trade Errors**

TCM has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade

errors in a manner that is in the best interest of our clients. In cases where a client causes the trading error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trading error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trading error, the client will be made whole, and TCM will absorb any loss resulting from the trading error if the error was caused by our firm. If the error is caused by the custodian/broker, the custodian/broker will be responsible for covering all trade error costs.

### **Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor can access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

TCM does not have the authority to deduct fees directly from client accounts and therefore does not have custody of client funds and securities. When fees are deducted from an account, TCM is responsible for calculating the fees and delivering instructions to the custodian. The custodian is then responsible for deducting the fees from client accounts.

TCM does not have the authority to open an account on behalf of clients, has no authority to designate or change the client's address of record with the qualified custodian, and does not maintain standing letters of authorization with third parties and therefore does not have custody of client funds and securities.

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

TCM does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our advisory-fee compensation is charged only as disclosed above in fees and compensation.

### **Voting Proxies and Client Securities**

TCM does not vote proxies under our limited discretionary authority. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. TCM does not act with respect to any securities or other investments that become the subject of any legal proceedings, with the exception of class action lawsuit for clients who custodian their accounts with TD Ameritrade. When accounts are custodian with TD Ameritrade, TCM has engaged a third-party service provider, Chicago Clearing Corporation ("CCC"), to monitor and file securities claims class action litigation paperwork with claims administrators on behalf of the Firm's clients. When a claim is settled and payments are awarded to TCM clients, it may be necessary to share client information, such as name and account number, with CCC in connection with this service.

TCM does not receive any fees or remuneration in connection with this service nor does it receive any fees from the third-party provider(s). CCC earns a fee based on a flat percentage of fifteen percent of all claims it collects on behalf of TCM clients. This fee is collected and retained by CCC out of the claims paid by the claim administrator. Clients may opt out of this service at any time. If a client opts out, TCM will not advise or take any action on behalf of a client with regard to class action litigation involving investments held in or formerly held in a client's account.



You should be aware that claims received from class action lawsuits may be less than the amount received if not engaging the CCC service.

You should be aware that fees for comparable services vary and lower fees may be available from other sources.

### **Disciplinary Information**

TCM does not have any legal, financial, or other disciplinary items to report. Your IAR will provide you with Form 2B that is specific to their individual disciplinary record. More information may be found by visiting [www.FINRA.org](http://www.FINRA.org) or [www.SEC.gov](http://www.SEC.gov).

- Triumph Capital Management’s CRD number is: 282814
- Triumph Capital Management’s SEC number is: 801-107312

### **Insurance**

TCM’s IARs may act as agents appointed with various life, disability or other insurance companies, and may receive commissions, trails, or other compensation from the respective product sponsors as a result of effecting insurance transactions for clients. Insurance business is monitored and processed through Triumph Capital, LLC or other approved third-party agencies. Clients should note that they are under no obligation to purchase any insurance products through TCM or its IARs. Please note that IARs typically spend less than 10% of their time on business relating to insurance. Please review your IAR’s ADV Form 2B to verify their specific insurance activities.

### **Outside Business Activity**

IARs of TCM may have Outside Business Activities (“OBA”). The OBAs of your IAR are fully described and disclosed on his/her ADV Form 2B. OBAs can present a material conflict of interest because your IAR may have an incentive to spend more time on their outside business activity than focusing on your advisory relationship. TCM monitors and approves OBAs to help reduce this conflict of interest.

You can find more information regarding your IAR’s outside business activity by visiting FINRA Broker Check: [www.finra.org](http://www.finra.org)

If you would like to receive a copy of your IAR’s most recent ADV Form 2B, please contact our Chief Compliance Officer, Brandon Drespling.

### **Other Potential Conflicts of Interest**

As a fiduciary, TCM and all IARs have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. With this duty, TCM and all IARs can achieve this obligation by trying to avoid conflicts of interest and by fully disclosing all material facts concerning any conflict that does arise with respect to any client. A conflict of interest occurs when an IAR’s private interests are inconsistent with the interests of the TCM’s clients and/or his/her service to the firm. Additionally, IARs must try to avoid situations that have even the appearance of conflict or impropriety.

Conflicts of interest may arise where TCM or its IARs have reason to favor the interests of one client over another client (e.g., larger accounts over smaller accounts, accounts in which employees have made material personal investments, accounts of close friends or relatives). TCM prohibits inappropriate favoritism of one client over another client that would constitute a breach of fiduciary duty.

TCM prohibits IARs from using knowledge about pending or currently considered securities transactions for clients to profit personally, directly or indirectly, as a result of such transactions, including purchasing or selling such securities.

Mr. Brandon Drespling and Mr. Derek Eichenwald are both principals of TCM. Mr. Drespling is supervised by Mr. Eichenwald and Mr. Eichenwald is supervised by Mr. Drespling. Mr. Drespling and Mr. Eichenwald manage client assets as co-managers. This can be deemed a potential conflict of interest. Both Mr. Drespling and Mr. Eichenwald are additionally monitored by the Compliance Department. If you have any questions regarding the supervision of Mr. Drespling or Mr. Eichenwald, please contact Mr. Drespling and Mr. Eichenwald prior to engaging in advisory services with TCM.

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

TCM and persons associated with TCM are allowed to invest for their own accounts or to have a financial interest in the same securities or other investments that TCM recommends or acquires for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. TCM recognizes the fiduciary responsibility to place your interests first and has established policies in this regard to avoid or mitigate any conflicts of interest.

TCM has developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information, recommending rollovers, and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educating personnel regarding the firm's expectations and laws governing their conduct, reminding personnel that they are in a position of trust and must act with complete propriety at all times, protecting the reputation of TCM, guarding against violation of the securities laws, and establishing procedures for personnel to follow so that TCM may determine whether their personnel are complying with the firm's ethical principles.

TCM has established the following restrictions in order to ensure our firm's fiduciary responsibilities:

A director, officer, or employee of TCM shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer, or employee of TCM shall prefer his or her own interest to that of the advisory client.

- TCM maintains a list of all securities holdings and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of TCM.
- TCM emphasizes the unrestricted right of the client to decline to implement any advice rendered,

except in situations where we are granted discretionary authority of the client's account.

- TCM emphasizes the unrestricted right of the client to select and choose any broker-dealer (except in situations where TCM is granted discretionary authority) he or she wishes.
- TCM prohibits the use of leveraged and inverse ETFs and ETNs in client accounts.
- TCM prohibits the use of cross trades in client accounts.
- TCM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination. You may request a complete copy of our Code of Ethics by contacting us.

### **Account Reviews – Investment Supervisory Services**

The underlying securities within the investment supervisory services are regularly monitored. These reviews will be made by your IAR and are reviewed by the supervisor in charge. An annual review is usually conducted in person or by telephone.

The purpose of all reviews is to ensure that the investment plan continues to be implemented in a manner which matches the client's goals, objectives, and overall risk tolerance. More frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political, or economic environment. You are urged to notify us of any changes in your personal circumstances.

### **Statements and Reports**

You are urged to compare the reports provided by TCM against the account statements you receive directly from your account custodian. TCM will have the ability to provide clients with performance/position summary reports upon request. Reports may also be provided at every client meeting.

The custodian/broker for the individual client's account will also provide clients with an account statement at least quarterly.

### **Client Referrals and Other Compensation**

The IARs of TCM receive a portion of the wrap fee paid by you for participation in the program. In addition, your IAR could also be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make the purchase or sale through the TCM IAR which are not covered by the wrap fee program. When selling products, a conflict of interest exists. This is due to commission payment or fee structure associated with the insurance business. Your IAR may have an incentive to affect an insurance transaction for the purpose of generating compensation rather than basing their recommendations solely on your needs. TCM mitigates this conflict by monitoring its IAR's outside business activities and their overall recommendations to you.

These products and other investments may be linked to your account statement. These investments are not a part of our wrap program and are excluded from the fee you pay unless included in our Managed by TCM at Security Benefit program, TTAMP program, Alternative Management program, or Variable Product Advisory Management program.

As disclosed under Brokerage Practices, TCM participates primarily in TD Ameritrade's Institutional

customer program, and TCM may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program, and the investment advice TCM gives to our clients, although TCM receives economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by TCM or our personnel through participation in the program does not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, TCM always endeavors to put the interests of our clients first. You should be aware, however, the receipt of economic benefits by TCM or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker we recommend being used by our clients; TCM has a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless always strive to act in your best interest.

From time to time, TCM may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotes, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or anticipated sales that will be made.

### **Outside Compensation**

TCM may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter advisory relationships with us. In such circumstances, TCM agrees to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to TCM. TCM makes disclosure of such referral arrangement, if any, to the client before entering into an advisory agreement. All referral agreements are governed by Rule 206(4)-3 under the Investment Advisers Act of 1940.

TCM only refers clients to professionals TCM believes are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and TCM has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by TCM.

If the client desires, TCM will work with these professionals or the client's other advisers (such as an accountant or attorney) to help ensure that the provider understands the client's investments and to coordinate services for the client. TCM will never share information with an unaffiliated professional unless first authorized by the client.

**Financial Information**

This item is not applicable to this brochure. TCM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, TCM is not required to include a balance sheet for our most recent fiscal year. TCM is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, TCM has not been the subject of a bankruptcy petition at any time.