

Sollinda Capital Management LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Sollinda Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (859) 287-1657 or by email at jcalvert@kbc.team. 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.

Additional information about Sollinda Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sollinda Capital Management LLC's CRD number is: 321742.

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Registration as an investment adviser does not imply a certain level of skill or training.

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ITEM 2 - MATERIAL CHANGES

This page will discuss the material changes made to the Sollinda Capital Management, LLC (“SCM”) Form ADV Part 2A (“Brochure”). The summary provided is for all material changes that have occurred since the March 17, 2025, annual filing:

Item 4 was updated to include the Global/Domestic Rotation strategies and regulatory assets under management as of December 31, 2025.

Item 5 includes compensation for certain Investment Adviser Representatives regarding fixed insurance offerings.

Item 8 was updated to reflect the risks associated with SCM’s use of leveraged ETFs in certain strategies.

Sollinda Capital Management, LLC will ensure that clients receive a summary of any material changes to this and future brochures within 120 days of the close of our business' fiscal year at no charge. Our Brochure may be requested at any time, without charge, by contacting us at 859-287-1657 or emailing us at jcalvert@kbc.team.

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ITEM 4 - ADVISORY BUSINESS

GENERAL DESCRIPTION

Sollinda Capital Management LLC (hereinafter “SCM”, “Firm” or “we”, “our”, “us”) is a Limited Liability Company organized in the State of Delaware. The firm was formed in April 2022, and the principal owner is Gestalt LLC.

INVESTMENT MANAGEMENT SERVICES

SCM offers ongoing portfolio management services based on the individual risk, objectives, time horizon, and risk tolerance of each client. SCM uses information gathered during the account opening process (risk tolerance questionnaire, income, tax levels, and risk tolerance levels, etc.) to help construct a plan in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SCM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SCM will request discretionary authority from clients to select securities and execute transactions without permission from the client prior to each transaction.

SCM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of SCM's economic, investment or other financial interests. To meet its fiduciary obligations, SCM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, SCM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is SCM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

SUB-ADVISORY SERVICES

SCM provides discretionary advisory services to retail clients and sub-advisory services to RIAs. When providing such services, SCM will enter a separate, written Investment Advisory Agreement with each client or sub-advisory agreement with each adviser. Subject to SCM's approval, the client may be able to place restrictions on SCM's discretionary investment activity, including restrictions on the term of investments, the types of securities permitted, the credit ratings allowed, and the liquidity of the account. Clients may change these restrictions upon written notice to SCM, and such changes are only effective once acknowledged in writing by SCM. In providing advisory services to its clients, SCM employs various investment strategies for the portfolios over which it has been delegated discretionary authority (each, a “Portfolio”). SCM works with

each advisor to determine which investment strategy or strategies will achieve the objectives of a particular client.

TYPES OF INVESTMENTS

SCM generally limits its investment advice to liquid, public securities, and funds. SCM may use mutual funds, fixed income securities, real estate funds (including REITs), equities, ETFs, and/or other securities to help diversify a portfolio, when applicable.

INVESTMENT STRATEGIES

SCM currently offers multiple strategies: Core, Core Plus, Core DFA, Tactical, Active Risk Focused Equity, Active Risk Focused Income, Enhanced S&P 500, Global/Domestic Rotation & Global Thematic Trend.

- Our Core strategies are composed of primarily stocks and bonds, aiming to minimize transactions and participate in long-term returns correlated to traditional benchmarks and staying close to fully invested at all times. This strategy is tax sensitive.
- Tactical strategies focus on stocks and bonds like the Core strategies while having the ability to tactically raise cash. We may overweight/underweight components of this strategy to the benchmark.
- Our Global Thematic Trend strategy is designed to capture upward and downward trends across global markets while maintaining a diversification of assets.
- The Active Risk Focused Income strategy aims to generate portfolio yield while also looking to capture trends in both global interest rates and credit cycles.
- The Active Risk Focused Equity strategy is guided by our view of global market cycles. It seeks to capture the upside in global equity markets while looking to minimize downside participation.
- The Enhanced S&P 500 strategy aims to track the performance of the S&P 500 index with less volatility through the use of our analytics.
- The Domestic Rotation Strategy is a systematic, rules-based approach designed for growth-oriented investors who seek equity-like returns with active management of both opportunities and risks.
- The Global Rotation Strategy extends the systematic approach of the Domestic Rotation Strategy to a broader global opportunity set, providing growth-oriented investors with exposure to worldwide markets while striving to maintain the same responsive, rules-based framework.

SCM reserves the right to tailor any or all these strategies at their discretion depending on the goals or needs of the client.

TAILORED SERVICES

SCM will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by SCM on behalf of the client. SCM may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SCM from properly servicing the client account, or if the restrictions would require SCM to deviate from its standard suite of services, SCM reserves the right to end the relationship.

ASSETS UNDER MANAGEMENT

As of December 31, 2025, SCM has \$1,014,312,431 discretionary regulatory assets under management and \$1,954,997 of non-discretionary regulatory assets under management for a total of \$1,016,267,428 in regulatory assets under management.

ITEM 5 - FEES AND COMPENSATION

ADVISORY FEES

For its on-going portfolio management services, SCM charges an annual fee on total assets under management ("Advisory Fee"). We also charge a fee dependent on the strategy or combination of strategies in which a client's assets are invested ("Strategy Fee") and monthly fee for documents and reports provided to clients ("Administration Fee"). These fees combined may total up to a fee of 2.25% on total assets under management. The Advisory Fee is calculated using the value of the assets and cash balance in the client's account(s) on the last business day of the prior billing period. SCM does not bill on margin balances. The Advisory Fee can be negotiated with the client at the sole discretion of SCM, and the final fee schedule will be memorialized in the client's Investment Advisory Agreement. Clients may terminate the Investment Advisory Agreement without penalty for a full refund of SCM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 10 days' written notice. Any prepaid fees will be returned on a pro-rated basis determined by the days of the month when investment advisory services take place. The Advisory Fee will be billed from each account unless otherwise agreed upon by the client and SCM. The Advisory Fee is payable in advance monthly. If an account is opened on any date other than the start of the calendar month, the initial fee will be pro-rated for the days left in the month and billed at the time of entering into the Investment Advisory Agreement. Charging a fee for our services creates a conflict of interest as we are incentivized to recommend having more of your assets under management by SCM.

SUB-ADVISORY FEES

For its services as a sub-advisor to investment advisers, SCM charges a Strategy Fee or a fixed AUM fee. The Sub-Advisory Fee arrangement is negotiated and established directly with the client within the sub advisory agreement. The Sub-Advisory Fee will be billed and payable in advance on a monthly or quarterly basis.

OTHER FEES

SCM charges a \$4.00 per month maintenance fee to advisory clients. SCM reserves the right to waive this fee at their sole discretion. SCM does not receive any consideration or fees beyond those paid by the client. Fees paid to SCM are exclusive of all custodial and transaction costs paid to the client's custodian, brokers, or other third-party consultants. Please see *Item 12* below for additional information. Fees paid to SCM are also separate and distinct from the fees and expenses charged by mutual funds, ETFs, or other investment pools (generally including a management fee and fund expenses, as described in each fund's prospectus, or offering materials). SCM does not receive 12b-1 fees in connection with mutual funds purchased or held for client accounts. The client should review all fees charged by funds, brokers, and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients are responsible for the payment of all third-party fees, such as, but not limited to, custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.

SCM collects Fees in advance. Refunds for Fees paid in advance but not earned due to termination of the advisory relationship between SCM and the client will be refunded to the client on a prorated basis.

OTHER COMPENSATION

A certain number of SCM's Investment Adviser Representatives ("IAR" or "IARs") are also registered representatives of a securities broker-dealer. These broker-dealers are members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of a broker-dealer, an IAR may implement securities transactions under the broker-dealer and not through SCM. In such instances, the IAR will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by an IAR in one's capacity as a registered representative of a broker-dealer is separate and in addition to SCM's fees. This practice presents a conflict of interest because IARs, who are registered representatives of a broker-dealer, may have an incentive to affect securities transactions for the purpose of generating commissions rather than solely based on the client's needs. This conflict is mitigated in that clients are under no obligation, contractually or otherwise, to purchase securities products through an IAR of SCM. These recommendations must be in the client's best interest based on the client's financial situation and objectives, and full disclosure of compensation arrangements should be provided to the client. Please also see *Item 10 – Other Financial Industry Activities and Affiliations*.

A certain number of SCM's IARs are separately licensed insurance agents. In their individual capacities as licensed insurance agents, these IARs may recommend, sell, and service fixed insurance products, including fixed annuities and other fixed insurance contracts, through one or more insurance companies. When acting in their capacity as insurance agents, these IARs will receive customary commissions and/or other compensation directly from the issuing insurance company or related insurance distributor in connection with the sale of fixed insurance products. This compensation is separate from and in addition to any advisory fees you pay to the Firm for investment advisory services. The receipt of commissions and other transaction-based compensation creates a conflict of interest. The IAR has a financial incentive to recommend fixed insurance products that pay commissions rather than other investment or insurance products that may not pay commissions or that may pay lower compensation. The IAR may have an incentive to recommend that a client purchase, replace, or exchange a fixed insurance product to generate additional commissions. The availability and amount of compensation may vary by product, issuer, or type of policy, which may create an incentive to recommend one product over another. Because these compensation arrangements present a conflict of interest, clients should be aware that the recommendation of a fixed insurance product may result in additional compensation to the IAR beyond advisory fees paid to the Firm. This conflict is mitigated by requiring that recommendations be in the client's best interest based on the client's financial situation and objectives, and full disclosure of compensation arrangements. Clients are under no obligation to purchase insurance products through any of our IARs and may purchase such products through other insurance agents or brokers of their choosing. Please also see Item 10 – Other Financial Industry Activities and Affiliations.

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

SCM does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

ITEM 7 – TYPES OF CLIENTS

SCM provides advisory services to individuals, high-net worth individuals, and profit-sharing plans. SCM also provides sub-advisory services to RIAs. There is no account size or value minimum for SCM's services.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK

METHODS OF ANALYSIS

SCM's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative analysis, and Technical analysis.

- **Charting analysis** involves the use of patterns in performance charts. SCM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- **Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.
- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.
- **Technical analysis** involves the analysis of past market data, primarily price and volume.

INVESTMENT STRATEGIES

SCM uses several investment strategies as mentioned in Item 4. In these strategies, SCM may use long-term trading, short-term trading, and short sales to meet the stated strategy objectives.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

RISKS ASSOCIATED WITH ANALYSIS

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would assume that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected because of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not consider new patterns that emerge over time.

RISKS ASSOCIATED WITH MANAGEMENT AND ASSET TYPES

SCM generally invests its clients' assets in ETFs but may use other securities to diversify an account. All investment portfolios are subject to risks. Accordingly, there can be no assurance that clients will meet their investment objectives and goals, or that investments will not lose money. Certain material risks to which the client's assets may be subject are discussed below.

Management Risks. While SCM manages assets based on its experience, research, and analysis, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that SCM allocates assets that may be adversely affected by unanticipated market movements, and the risk that the SCM's specific investment choices could underperform their relevant benchmarks.

Risks of Investments in Mutual Funds, ETFs, and Other Investment Pools. SCM will invest client portfolios in mutual funds and ETFs. Investments in pooled investment funds may be less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. Other areas of concern include, but are not limited to, the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. In addition, pooled investment funds' success will be related to the skills of their managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

Risk Related to Leveraged ETFs

An investment in Leveraged ETFs involves significant risk. Leveraged ETFs attempt to deliver a multiple on their stated index. This is typically done using strategies employing swap agreements and futures contracts by the ETF. These ETFs can have multiples up to 3x which means they are attempting to increase return by three times. It also means that, should the value of the portfolio decrease, the Leveraged ETF will have a more significant loss than had it not been leveraged. If held for more than a single day, these ETFs have greater risks than the use of leverage in investing, due to the compounding of daily leveraged returns for each trading day during the relevant trading period. Furthermore, Ethos may hold these ETFs for longer than the one day that many fund prospectuses suggest, leading to additional risks. Consequently, especially in periods of market volatility, the volatility of the underlying index may affect an ETF's return as much as, or more than, the return of the underlying index. During periods of high volatility, these ETFs may not perform as expected and the ETFs may have losses when an investor may have expected gains if the ETFs are held for a period that is different than one trading day. In addition, the Advisor may invest in Inverse Leveraged ETFs, which combine the risks mentioned with both the Inverse ETFs and Leveraged ETFs. Therefore, while there can be a benefit in using Leveraged ETFs, these products present additional risk versus non-leveraged ETFs and will exacerbate any investment losses. The potential use of leveraged ETFs is limited to the following strategies offered by SCM: Enhanced S&P, Active Risk Focused Equity, & Global Thematic Trend.

Risks Related to Alternative Investment Vehicles. From time to time and as appropriate, SCM may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

Equity Market Risks. SCM may invest portions of client assets directly into equity investments, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. SCM may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than

investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Non-US Risks. SCM may invest portions of client assets in non-US equity investments, or into pooled investment funds that invest in non-US equities. These securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Risks Associated with Electronic Trading or Order Routing Systems. Trading through an electronic trading or order routing system creates risks associated with system or component failure. In the event of system or component failure, new orders may not be entered, existing orders may not be executed, modified, or canceled. This could result in financial losses for clients.

The foregoing risks are just some of the most significant risks that may apply to a client's investments. Clients should understand that investing in any securities involves a significant risk of loss of both income and principal and that they should be prepared to bear such losses. Past performance is not indicative of future results. Investment safety and satisfactory performance is in no way guaranteed and no incremental protections are offered with SCM.

ITEM 9 – DISCIPLINARY INFORMATION

Neither SCM, nor any of its owners or Investment Advisor Representatives, have reportable disciplinary events.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Justin Greenhill and Ryan Mummy are the owners of Gestalt, LLC. This entity is a holding company for other business interests.

Richard Jensen is a majority owner of FrontWave Capital Management ("FrontWave"). FrontWave serves as General Partner for the FrontWave Partners LP, a hedge fund. This creates a potential conflict of interest as Sollinda manages a portfolio for FrontWave Partners LP. Sollinda mitigates this conflict by not offering the hedge fund to other Sollinda clients.

A certain number of SCM's IARs are registered representatives of a securities broker-dealer. These broker-dealers are members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). When placing securities transactions through the broker-dealer in their capacity as registered representatives, they will earn sales commissions. You are

advised that if you use our IARs, who are also registered representatives, to execute transactions with their broker-dealer, you may be charged higher or lower commissions or fees than if the transactions were executed through other broker-dealers. See Item 5 - *Other Compensation* section in this brochure for more information on the compensation received by these IARs.

A certain number of SCM's IARs also work as a Certified Public Accountant (CPA). Their role as a CPA may be offered to Sollinda clients and the IAR would receive additional compensation. You are under no obligation to use the CPA services offered to you.

A certain number of SCM's IAR serve in an advisory capacity for outside businesses. One IAR has a law practice not affiliated with SCM.

Insurance Product Recommendations

A number of SCM's IARs are insurance agents and can sell other products or provide services outside of their role as investment adviser representatives with us.

Due to the firm's financial planning philosophy, it is common for our financial professionals to recommend that clients utilize insurance products (for example, a fixed index annuity("FIA"), or life insurance) as part of the client's overall financial plan in lieu of other asset classes, specifically, in lieu of cash and fixed income asset classes. You should be aware that there are conflicts of interest that are present due to our planning philosophy and recommendations to utilize insurance products in this nature.

You may therefore work with your financial professional in both their capacity as an investment adviser representative of SCM, as well as in their capacity as an insurance agent. As such, your SCM financial professional, in their dual capacity as an IAR and insurance agent, may advise you to purchase insurance products and then assist you in implementing the recommendations by selling you those same products. For the reasons described below, this creates a variety of conflicts of interest that you should be aware of.

- **Commissions:** Although SCM and its IARs owe you a fiduciary duty, it should be noted that the receipt of a commission provides a variety of incentives for our affiliate and our shared financial professionals to recommend these products. For example, your IAR will earn a larger commission the more assets are invested in an annuity, therefore they are economically incentivized to recommend that you purchase an annuity over placing those assets in a brokerage or advisory account, which may provide lower total compensation. Our financial professional could also be incentivized to recommend a product that pays a commission now, versus an advisory product that pays fees over a longer period. As an example, all other variables held equal, a 5% commission paid by an insurance company upon sale of a \$100,000 annuity product, may be more attractive to a financial professional than a one percent (1%) advisory fee charged on a \$100,000 account paid over a period of five (5) years, despite the overall pre-tax compensation paid to the financial professional being equal. Note that some products pay a higher street or bonus commission than others, increasing this incentive and creating an economic incentive to favor higher fee-paying products.

- **Additional Compensation:** Our IAR will also receive additional compensation or incentives in the form of bonus commissions, gifts, meals or entertainment, reimbursement for training, marketing, education, advertising, or travel expenses associated with sponsored conferences or events. The exact compensation cannot be accurately calculated at the time of recommendation because they rely on sales goals, but you should be aware that there are a variety of forms of indirect compensation paid by carriers and insurance marketing organizations, and this compensation creates a conflict of interest.
- In addition, each of the individual insurance carriers that our financial professionals work with may also separately provide incentive-based bonuses or awards in exchange for sales-related production over specific periods of time, which is a conflict of interest. They may also provide indirect compensation by providing marketing assistance, business development tools, technology, back office/operations support, business succession planning, business conferences, and incentive trips. These incentive programs do not directly affect fees paid by the client. Although some of these services can benefit a client, other services obtained by our IARs, such as marketing assistance, business development, and incentive trips, will not benefit an existing client and are a conflict of interest.
- At times, our financial professionals receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing, such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements is not predicated upon specific sales quotas, the product sponsor reimbursements are made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of clients.
- **Exchanges & Replacement Recommendations:** Your financial professional may recommend that you exchange or replace an existing annuity with a new annuity if they believe it is appropriate. You should be aware that the firm and financial professional receive additional commission when an exchange or replacement is made, in the form of commissions and bonuses, and other additional compensation described above. You may also incur a surrender charge on the old annuity. The new purchase be also subject to the commencement of a new surrender period, lose existing benefits, such as accumulated value, death, living or other contractual benefits, or be subject to increased fees, or additional charges for riders and similar product enhancements.
- **Other Issues:** There are other conflicts present as well. SCM utilizes the services of a third-party insurance marketing organization ("IMO") to select the appropriate product for our clients. The purpose of the IMO is to assist us in finding the insurance product that best fits the client's situation, although the IMO and insurance carrier may also offer special bonus or incentive compensation to our firm and our investment adviser representatives when they act in their separate capacities as insurance agents when they meet certain overall sales goals by placing annuities and/or other

insurance products through the IMO. This creates a conflict of interest for the firm and our financial professionals in utilizing the products recommended by the IMO.

Any annuities sold through our RIA are fee-based rather than commission-based products. These products offerings are supervised by the firm's Chief Executive Officer (CEO), who reviews the products for conflicts of interest, fees, and liquidity. Other insurance products are offered through an insurance agency separate from SCM. If you have any questions or concerns about annuity recommendations made during the financial planning process, we encourage you to immediately bring them to the attention of the CEO or the CCO.

Finally, you should be aware that there are other insurance products that are offered by other insurance agents other than those recommended by our financial professionals. You are under no obligation to implement any insurance or annuity transaction through our IARs.

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

SCM has established and implemented a Code of Ethics (or "Code") designed to educate its employees of its detailed ethical standards and prohibition of fraudulent, deceptive, or manipulative conduct.

SCM and its personnel have a duty of loyalty, fairness, and good faith towards their clients, and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code. As a fiduciary, SCM will act at all times in its clients' best interests and will avoid or disclose any actual or potential material conflicts of interests. SCM's Code emphasizes and implements these fundamental principles.

SCM's Code includes prohibitions against the use of material non-public information. Employees are prohibited from trading for themselves or others in any security while in possession of material nonpublic information as well as communicating that information to anyone else. The Code also covers the SCM's policy on giving or receiving gifts and entertainment in a business setting, as well as protecting the confidentiality of client information.

The Code also sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time-to-time SCM's associated persons may invest in the same securities recommended to clients. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. It also provides for disciplinary action as appropriate for violations.

A copy of this Code of Ethics is available upon request to any client or prospective client. Requests should be directed to Jared Calvert, Chief Compliance Officer, at jcalvert@kbc.team.

ITEM 12 – BROKERAGE PRACTICES

SCM does not recommend brokers or custodians to our clients. The Firm also does not have any soft dollar arrangements, nor does it receive referrals from broker-dealers or third parties in exchange for that broker-dealer or third party.

SCM may permit clients to direct the execution of transactions through a specified broker-dealer. If a client directs brokerage for their account, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to SCM to select a broker. This direction may result in higher commissions, which may result in a disparity between free and directed accounts. The client may be unable to participate in block trades (unless SCM is able to engage in "step outs"), and trades for the client and other-directed accounts may be executed after other trades, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

If SCM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, SCM would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients. Aggregated trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. SCM would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution.

It is SCM's policy to manage portfolios with accuracy and efficiency. A "trade error" is generally any transaction resulting in Client funds being committed to some type of unintentional transaction(s). If a traded error does occur, we will evaluate the error to determine the cause of the error and work to resolve, making the client whole.

ITEM 13 – REVIEW OF ACCOUNTS

SCM will periodically review each client's account(s) and on an as-needed basis. These reviews will be conducted by one or more of its adviser representatives.

Account custodians are responsible for providing account statements on at least a quarterly basis which reflect the positions and transactions in each client's account, including fees paid from an account. Account custodians should also provide confirmation of all trading activity. SCM may provide additional written reports as needed or requested by the client.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

SCM does not receive any economic benefit from any other third party for advice rendered to SCM's clients. SCM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

ITEM 15 – CUSTODY

SCM does have custody of some of its clients' funds. This custody comes in the form of third-party standing letters of authorizations ("SLOA"). SCM is not required to subject those accounts to a surprise examination by an independent public accountant based on guidance issued by the SEC.

All clients' funds and securities are held with a qualified custodian. Fees paid directly to SCM are not paid in a way that would give deemed custody to the Firm.

ITEM 16 – INVESTMENT DISCRETION

SCM provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Agreement established with each client sets forth discretionary authority for trading. Where investment discretion has been granted, SCM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, SCM's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to SCM) and agreed upon by SCM.

Clients engaging SCM to provide sub-advisory services generally hire it to provide discretionary asset management services, in which case it recommends trades in client accounts without contacting the client prior to each trade to obtain the client's permission. Such clients generally execute a sub-advisory agreement, which allows SCM to determine the securities to buy or sell and/or determine the amount of the securities to buy or sell in its discretion. As discussed above, SCM may allow such clients to place various restrictions on its choice of allowable investments.

ITEM 17 – VOTING CLIENT SECURITIES

SCM has adopted policies and procedures with respect to the voting of proxies relating to securities held in client accounts. SCM does not vote proxies for clients.

Clients may request a copy of the firm's proxy voting policy by contacting Jared Calvert, Chief Compliance Officer, at jcalvert@kbc.team.

ITEM 18 – FINANCIAL INFORMATION

SCM neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this Brochure. Neither SCM nor its management has any financial condition that is likely to reasonably impair SCM's ability to meet contractual commitments to clients. SCM has not been the subject of a bankruptcy petition in the last ten years.