



## **Three Cord True Wealth Management, LLC**

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**June 2024**

This Brochure provides information about the qualifications and business practices of Three Cord True Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 724-683-3450. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Three Cord True Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

The material changes to the Firms Form ADV Part 2A (Brochure) since the amendment in March of 2024 are described below.

- The firm now offers the Manager Access Select Program for selection of third-party portfolio managers through LPL. (Items 4, 5 and 7)

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### **Item 4: Advisory Business**

Three Cord True Wealth Management, LLC (“3CTWM” the “Firm” or “Adviser”) was established in 2020 and provides comprehensive financial planning and wealth management services to individuals, professionals, business owners, corporate executives, retirement plans and businesses. 3CTWM, the Adviser is principally owned by Three Cord True Wealth Management Holdings, LLC (the “Holding Company”). The owners of the Holding Company are Tod Arbutina Jack Ellsworth, Nicholas Raught, and Vasilios Rizos.

As a registered investment adviser subject to Section 206 of the Advisers Act, 3CTWM acts as a Fiduciary related to the conduct of its investment advisory services. As such 3CTWM has an obligation to act in the best interest of its clients guided by the core fiduciary duties of loyalty and care.

3CTWM provides investment management services primarily to individual investors on a fee-only basis. 3CTWM also offers certain programs sponsored by LPL Financial LLC (“LPL”), a registered investment adviser and broker-dealer. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL program account packet (which includes the account agreement and LPL Form ADV program brochure). 3CTWM sponsors a wrap fee program which is briefly described below. For a full description of the wrap fee program, please refer to Appendix 1 of this Brochure (the “Wrap Fee Brochure”).

### **Advisory Services**

#### **3C True Wealth Management Program (3CTWM II)**

3CTWM serves as a sponsor and manager of the 3CTWM II wrap fee program. Wrap fee programs generally charge clients a specified “bundled” fee (typically a percentage of assets under management) for discretionary investment management services and trade execution costs. For clients invested in the 3CTWM II wrap fee program, the Firm provides ongoing investment advice and management on assets in the client’s account. 3CTWM will have discretion to purchase and sell various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, equities, and fixed income securities. 3CTWM will receive a portion of the wrap fee for the Firm’s services. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the written advisory agreement with 3CTWM. For additional details, please refer to the Firm’s Wrap Fee Brochure.

#### **Retirement Plan Services**

3CTWM assist clients that are trustees or other fiduciaries to retirement plans (“Plans”) by providing fee-based consulting and/or advisory services. 3CTWM whom the trustee or other plan fiduciary appoints in its retirement plan consulting services agreement with 3CTWM will serve as

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ERISA Section 3(21) fiduciary to the Retirement Plan (the “Plan”). 3CTWM IARs will perform certain limited scope investment advisory services for the Plan pursuant to and consistent with Section 3(21) of ERISA (as opposed to Investment Management services pursuant to and consistent with Section 3(38) of ERISA).

In short, 3CTWM provides advisory and consulting services on a non-discretionary basis, so that the client makes the decisions regarding the purchase and sale of securities and the investment options to be made available in the Plan. 3CTWM does not exercise authority over the administration of the Plan.

### **Manager Access Select Program**

Manager Access Select offers clients the ability to participate in the Separately Managed Account Platform (the “SMA Platform”) or the Model Portfolio Platform (the “MP Platform”). In the SMA Platform, 3CTWM will assist client in identifying a third party portfolio manager (SMA Portfolio Manager) from a list of SMA Portfolio Managers made available by LPL, and the SMA Portfolio Manager manages client’s assets on a discretionary basis. 3CTWM will provide initial and ongoing assistance regarding the SMA Portfolio Manager selection process. In the MP Platform, clients authorize LPL to direct the investment and reinvestment of the assets in their accounts, in accordance with the selected model portfolio provided by LPL’s Research Department or a third-party investment advisor.

A minimum account value of \$50,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **IRA Rollovers**

Investors considering rolling over assets from a qualified employer-sponsored retirement plan (“Employer Plan”) to an Individual Retirement Account (“IRA”) should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and can engage in a combination of these options):

- (1) Leave the money in the former employer’s plan, if permitted;
- (2) Rollover the assets to a new employer’s plan (if available and rollovers are permitted);
- (3) Rollover Employer Plan assets to an IRA; or,
- (4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, Investors should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. 3CTWM encourages you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment adviser to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

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By recommending that you rollover your Employer Plan assets to an IRA advised by 3CTWM, the Adviser will earn fees as a result. In contrast, leaving assets in your Employer Plan or rolling the assets to a plan sponsored by your new employer likely results in little or no compensation to 3CTWM. 3CTWM has an economic incentive to encourage investors to rollover Employer Plan assets into an IRA managed by 3CTWM. Investors can face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. In addition to the fees charged by 3CTWM, the underlying investment (mutual fund, ETF, annuity, or other investment) can also include fees. Custodial and trading fees also apply. Investing in an IRA with 3CTWM will typically be more expensive than an Employer Plan.

Additional resources about IRA Rollovers are available to investors through FINRA's web site at [www.finra.org](http://www.finra.org).

### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Financial Planning & Consulting**

3CTWM provides financial planning and consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more

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of the following areas: Investment Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Insurance Analysis, Business and Personal Financial Planning.

### **Insurance & Variable Annuity Products**

As part of a client's financial plan, 3CTWM's licensed insurance professionals can recommend insurance and variable annuity products to our clients. Prior to recommending these products, 3CTWM will conduct an evaluation to identify the needs and suitability of these products to meet the clients' needs.

As of December 31, 2023, 3CTWM had \$191,194,176 in regulatory assets under management and \$96,222,072 in assets under advisement for a total of \$287,416,248 assets under management.

## **Item 5: Fees and Compensation**

### **3C True Wealth Management Program (3CTWM II) Fees**

Clients enter into an Investment Management Agreement ("IMA") with 3CTWM that outlines the services provided and fees paid to 3CTWM. The client will pay an asset management fee to 3CTWM based on the value of the client's 3CTWM account, including cash holdings. Clients are billed in advance on a quarterly basis based on the account value on the last day of the prior quarter. Clients will be billed at the rate set forth in their agreement and 3CTWM has the authority to negotiate fees. Fees range from .7% to 1.3% annually for advisory services. For the Manager Access Select clients are charged an account fee consisting of an LPL program fee of up to 0.35% and an advisor fee of up to 2.50%. For the initial period of an engagement and subsequent deposits and withdrawals, the fee is adjusted and calculated on a pro rata basis. In the event the IMA is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is refunded to the client. 3CTWM accounts are in a wrap fee program sponsored by 3CTWM. Clients should review the separate 3CTWM Wrap Fee Program Brochure for more detail about the fees and expenses related to this program.

Certain Advisory Persons are also licensed as independent insurance professionals. These persons will earn fees or commissions for the sale of insurance and variable annuity products to clients. This presents a conflict because Advisory Persons who are licensed insurance professionals have an incentive to recommend insurance or variable annuity products for the purpose of generating fees or commissions. To mitigate this conflict, clients are not required to purchase insurance or variable annuity products through any person affiliated with 3CTWM.

### **Fee Discretion**

3CTWM, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy Client

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relationship, employer-employee relationship, account retention and pro bono activities. 3CTWM will group certain related client accounts for the purposes of determining the fee.

### **Direct Fee Debit**

Clients generally provide 3CTWM and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The financial institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to 3CTWM.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to 3CTWM, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include, but aren't limited to, securities brokerage commissions, transaction fees, redemption fees, short term transaction fees, custodial fees, overnight carrier fees for certain deliveries, early settlement fees when a client wishes to exit investment positions in order to withdraw cash, fees charged by the Independent Managers, margin costs, fees and expenses imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. If a client's assets are invested in mutual funds or ETFs, clients should be aware that there will be two layers of advisory fees and expenses for those assets. As a shareholder of a fund, client will pay an advisory fee to the fund manager and other expenses charged by the fund in addition to the advisory fee paid to 3CTWM.

The Firm's brokerage practices are described at length in Item 12, below. Other fees are disclosed in the 3CTWM Wrap Fee Program Brochure, IMA, and LPL account documents.

### **Certain Conflicts of Interest**

3CTWM receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the type and size of the account, type of securities held in the account, changes in its value over time, the ability to negotiate fees or commissions, the historical or expected size or number of transactions, and the number and range of supplementary advisory and client-related services provided to the client, the amount of this compensation will be more or less than what 3CTWM would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

### **Wrap Fee Program Conflicts**

Although clients do not pay a transaction charge for transactions in a wrap fee account, clients should be aware that 3CTWM pays LPL transaction charges for those transactions. The transaction charges paid by 3CTWM vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL. Transaction charges paid by the Adviser for equities and ETFs



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are \$9.00. For mutual funds, the transaction charges range from \$0 to \$26.50. Because 3CTWM pays the transaction charges in these accounts, there is a conflict of interest in cases where the mutual fund is offered at both \$0 and \$26.50. Clients should understand that the cost to the Adviser of transaction charges is a factor that 3CTWM considers when deciding which securities to select and how frequently to place transactions in a wrap fee account.

In many instances, LPL makes available mutual funds in a 3CTWM II wrap fee account that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as “Class I,” “institutional,” “investor,” “retail,” “service,” “administrative,” “platform” or “Adviser” share class. The Adviser Share Class offered for a particular mutual fund in many cases will not be the least expensive share class that the mutual fund makes available and was selected by LPL in certain cases because the share class pays LPL compensation for the administrative and recordkeeping services LPL provides to the mutual fund. Clients should understand that another financial services firm can offer the same mutual fund at a lower overall cost to the investor than is available through the wrap fee account. In other instances, a mutual fund may offer only Class A Shares, but another similar mutual fund is available that offers a less expensive share class. Class A Shares typically pay LPL a 12b-1 fee for providing shareholder services, distribution, and marketing expenses (“brokerage-related services”) to the mutual funds. Adviser Share Class funds generally are not subject to 12b-1 fees. Refer to Item 12, Brokerage Practices, of this Brochure for additional information related to mutual fund share class selection.

3CTWM has a financial incentive to recommend share classes that have the lowest trading costs in cases where various share classes are available. This is a conflict of interest which might incline 3CTWM, consciously or unconsciously, to render advice that is not disinterested. Although the client will not be charged a transaction charge for transactions, the Adviser pays LPL a per transaction charge for mutual fund trades in your account. 3CTWM does not pay transaction charges for certain share classes that “Fully Participate” on the LPL platform, but generally does pay transaction charges for other share classes that are “Non-Participating”. This creates an incentive for 3CTWM to select Fully Participating funds. Clients should note that Fully Participating funds can be more expensive than Non-Participating funds. Furthermore, as noted above, the share classes available may not be the least expensive share class offered by the fund company. The cost to 3CTWM of transaction charges is a factor the Adviser considers when deciding which securities to select and whether or not to place transactions in the account.

The lack of transaction charges to 3CTWM for Fully Participating share class purchases and sales, together with the fact that other shares have a trading cost, presents a conflict of interest between 3CTWM and the client. In short, it costs 3CTWM less to recommend and select Fully Participating mutual funds than Non-Participating funds. Clients should understand this conflict and consider the additional indirect expenses borne as a result of the mutual fund fees when negotiating and discussing with your Adviser the advisory fee for management of an account.

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Certain conflicts of interest arise with financial planning when 3CTWM recommends a course of action that will benefit the Adviser.

### **Limitations:**

The individuals that are licensed as registered representatives of LPL Financial are subject to regulations that restrict them from conducting securities transactions away from LPL Financial without written authorization from LPL Financial. Clients should, therefore, be aware that for accounts where LPL Financial serves as the custodian, 3CTWM is limited to offering services and investment vehicles that are approved by LPL Financial and require pre-approval for offering services and investment vehicles that may be available through other broker/dealers and custodians of which approval is not guaranteed.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

3CTWM does not charge performance-based fees.

### **Item 7: Types of Clients**

As noted in Item 4, 3CTWM primarily provides investment management services to individuals but also provides services to business owners, corporate executives, and retirement plans. There are no minimum account values except for the Manager Access Select program which has a \$50,000 account minimum.

### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

3CTWM has access to various research reports and model portfolios to which they utilize on a periodic basis in determining investment advice provided to clients. 3CTWM chooses from various research methods, investment styles and management philosophies. It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable.

3CTWM receives research and investment recommendations regarding asset allocation, mutual funds, variable annuity subaccounts and money managers from LPL's Research Department and other vendors. 3CTWM does not consider all these recommendations in providing investment advice. LPL Research also constructs asset allocation model portfolios and provides recommendations on the funds to populate those models.

We believe a diversified portfolio that is consistent with your risk tolerance, time horizon and goals and objectives is essential. Our financial professionals ensure you are educated on your choices, and we personally engage with you to keep connected and assure that your portfolio is aligned with your financial plan. Your unique circumstances and personal objectives dictate the method of investing, as well as the types of strategies chosen.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify

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an appropriate ratio of mutual funds, ETFs, equities, fixed income, cash, and other investments suitable to the client's investment goals and risk tolerance. Additionally, we incorporate an analysis of current market data and valuations of various market sectors and asset categories to identify investment opportunities as well as pitfalls.

A risk of asset allocation is that the client does not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to market movements and, if not corrected, will no longer be appropriate for the client's goals. The expected risk and return of various asset classes differ and a clients' results will be affected by our selection of various asset classes.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful is not guaranteed to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client can purchase or hold the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager deviates from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **Risks:**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock markets and bond markets fluctuate substantially over time. In addition, the performance of any investment is not guaranteed.

### **Types of Investments and Risks**

Depending on the type of service being provided, 3CTWM can recommend different types of securities, including mutual funds, unit investment trusts ("UITs"), closed end funds, ETFs, collective investment trusts, variable annuity subaccounts, equities, fixed income securities, options, hedge funds, managed futures, and structured products. Investing in securities involves the risk of loss that clients should be prepared to bear. Described below are some risks associated with investing and with some types of investments that an IAR can recommend depending on the service provided.

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- **Market Risk.** This is the risk that the value of securities owned by an investor goes up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of the investment managers and the underlying portfolio holdings. Investments in ETFs and other investment companies are subject to the risks of the investment companies' investments, as well as to the investment companies' expenses. If a client account invests in other investment companies, the client account can receive distributions of taxable gains from portfolio transactions by that investment company and recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- **Equity Investment Risk.** Our judgments about the attractiveness, value and potential appreciation of a particular individual security, if incorrect, there is no guarantee that individual securities will perform as anticipated. Sharp downward market moves adversely impact long positions. There is a risk of loss on individual positions as a result of issuer-specific matters such as unexpectedly disappointing earnings, lawsuits, analyst action or other matters. Equity returns are volatile and fluctuate, sometimes substantially, over time.
- **Bond Risk.** Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates can result in an issuer redeeming, calling or refinancing a security before its stated maturity. Longer maturity debt securities are subject to greater price fluctuations than shorter maturity debt securities. Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and are subject to greater price fluctuations than higher quality debt securities.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.

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- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market can be more volatile, and perform differently, than the broader market. The several industries that constitute a sector can all react in the same way to economic, political or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries can adversely affect performance.
- **Alternative Strategy Mutual Funds.** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies is not suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.
- **Closed-End/Interval Funds.** Clients should be aware that closed-end funds available within the program can restrict an investor's right to redeem their shares, and a secondary market may not exist causing the inability for clients to liquidate all or a portion of their shares in these types of funds. While the fund can from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited number of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. The repurchase offer program can be suspended under certain circumstances.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs can be closed and liquidated at the discretion of the issuing company.
- **Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs are

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linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows: The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability.

- **Variable Annuities.** If client purchases a variable annuity as part of the investment management services, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity limit the investment options and the ability to manage the subaccounts.

**ESG and Responsible Investing Risk (Environmental, Social and Governance):**

Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance. A client's strategy may forgo some market opportunities available to portfolios that do not use an ESG criteria. Stocks of companies with ESG practices may shift into and out of favor with stock market investors depending on market and economic conditions. The client's or strategy's performance may at times be better or worse than performance of accounts or strategies that do not use an ESG criteria.

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.

### Item 9: Disciplinary Information

3CTWM has no legal or disciplinary events to report that would impact the evaluation by a client or investor (or potential client or investor) of 3CTWM's advisory business or the integrity of our management.

### Item 10: Other Financial Industry Activities and Affiliations

3CTWM, the Adviser and the Firm's affiliate, Three Cord True Wealth Tax Solutions, LLC ("TCTWTS", the "Accounting Firm") are under common ownership and control of the Holding Company, Three Cord True Wealth Holdings, LLC. Certain employees of 3CTWM are Certified Public Accountants (CPAs). To the extent that employees of 3CTWM provides accounting and tax preparation services to any client, including clients of 3CTWM, all such services shall be

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performed by the Accounting Firm in its individual entity capacity, independent of the Adviser, for which services 3CTWM shall not receive any portion of the fees charged by the Accounting Firm. No client of 3CTWM is under any obligation to use the services of TCTWTS and can engage a non-affiliated Certified Public Accountant or tax preparation service provider. Clients of 3CTWM are eligible to receive a reduced rate for tax preparation services from the Accounting Firm.

Certain financial professionals of 3CTWM are registered representatives (“Registered Reps”) of LPL Financial. LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with 3CTWM. Registered Reps, in their separate capacity, can affect securities transactions for which they receive separate, yet customary compensation. There are circumstances where Registered Reps recommend brokerage services or products to clients. When clients purchase brokerage services or products through a Registered Rep who is an employee of 3CTWM the employee will earn compensation from LPL. This practice presents a conflict of interest and gives Registered Reps an incentive to recommend brokerage services and product based on the compensation received, rather than on the client needs. Clients have the option to purchase brokerage services and products through other brokers or agents that are not affiliated with 3CTWM. While 3CTWM and Registered Reps endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest when making recommendations. 3CTWM addresses this conflict by disclosing to clients when they are acting as a registered representative, and they receive brokerage commissions and other fees. Client will receive notification of brokerage charges from LPL.

Certain financial professionals are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from one’s role with 3CTWM. Commissions and other related revenues from the various insurance companies whose products are sold are received by the insurance professional. The insurance professional ensures that the implementation of recommendations to the client is done in the best interest of the client. The insurance professionals are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset advisory fees. This causes a conflict of interest in recommending certain products of the insurance companies. Clients always have the right to choose whether to implement any recommendations made with any insurance professional.

Please refer to Item 12 for a discussion of the benefits 3CTWM receives from LPL Financial and the conflicts of interest associated with receipt of such benefits.

### **Item 11: Code of Ethics**

3CTWM has adopted a Code of Ethics for all supervised persons of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines

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surrounding gifts and business entertainment items, personal securities trading, conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code initially upon hire as well as annually, or as amended.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients.

Employees are permitted to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with the Firm's personal trading guidelines and applicable regulatory requirements.

Employees of the firm are permitted to buy or sell for their personal accounts securities similar to those recommended to or owned by clients. All reportable transactions are reported to the Compliance Officer in accordance with the reporting requirements outlined in the Code and personal trading is monitored in order to reasonably prevent conflicts of interest between 3CTWM and its clients.

3CTWM does not engage in principal transactions with its clients in program accounts. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **Item 12: Brokerage Practices**

3CTWM recommends clients use LPL as their custodian. 3CTWM does not have the discretion to select a broker/dealer or commission rates. Clients have the discretion to use LPL or an LPL approved custodian for their accounts, as long as 3CTWM has received pre-approval from LPL's RIA Compliance Group. Because associated persons of 3CTWM are licensed with LPL, this presents a conflict of interest. Clients should understand that not all advisers require their clients to select a certain broker. By selecting LPL as the broker, the most favorable execution of client transactions is not guaranteed, and this practice can cost clients more money. 3CTWM maintains a service relationship with LPL. Clients will be subject to separate fees and expenses charged by their custodians.

3CTWM receives support services and/or products from LPL Financial, many of which assist 3CTWM to better monitor and service program accounts maintained at LPL Financial; however, some of the services and products benefit 3CTWM and not client accounts. These support services and/or products are received without cost, at a discount, and/or at a negotiated rate, and include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services



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- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by 3CTWM in furtherance of its investment advisory business operations

LPL Financial provides these services and products directly or may arrange for third party vendors to provide the services or products to Adviser. In the case of third-party vendors, LPL Financial may pay for some or all of the third party's fees.

These support services are provided to 3CTWM based on the overall relationship between 3CTWM and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. 3CTWM will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the 3CTWM to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, the receipt of these benefits from LPL Financial creates a conflict of interest. The receipt of these products and services presents a financial incentive for 3CTWM to recommend that its clients use LPL Financials' custodial platform rather than another custodian's platform.

**Soft Dollar Arrangements:** 3CTWM does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

**Brokerage for Client Referrals:** 3CTWM does not recommend broker-dealers to clients based on our interest in receiving client referrals.

**Trade Allocation and Aggregation:** 3CTWM generally does not aggregate orders for client accounts but rather enter orders on a client-by-client basis at the discretion of the client's respective Adviser. 3CTWM will aggregate if an entire position is being bought or sold across multiple accounts invested in the same allocation program. For accounts custodied at LPL, client accounts participating in a block trade will not be favored over any other client account; instead, will participate in an aggregated order at the average share price.

**Mutual Fund Share Class Selection:** 3CTWM provides investment advisory services to our client accounts within the 3CTWM II wrap fee program which are all custodied at LPL Financial LLC. In many instances, LPL makes available mutual funds on their platform that offer various classes of shares, including shares designated as Class A Shares and shares designed for advisory programs, which can be titled, for example, as "Class I," "institutional," "investor," "retail," "service," "administrative," "platform" or "Adviser" share class. When recommending investments in mutual funds, it is our policy to review and consider the share classes available on LPL's platform

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some of which are not always the lowest expense share class available for each mutual fund. Additionally, LPL does not aggregate client assets for purposes of qualifying for a lower expense share class. Therefore, 3CTWM clients are invested in higher expense share classes that they may otherwise qualify for a lower expense if their account was not custodied at LPL. Our policy is to select the most appropriate mutual fund based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability, track record and other factors. When considering all the appropriate factors, we can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, we consider share classes of the same mutual fund that are available on the LPL platform. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their adviser whether a lower cost share class is available instead of those selected by the Firm. 3CTWM periodically reviews the mutual funds held in client accounts to select the most appropriate share classes in light of its duty to obtain best execution. Refer to the wrap fee brochure for additional information on share class selection for mutual funds held in 3CTWM's wrap fee program accounts.

### **Item 13: Review of Accounts**

3CTWM meets with most clients on at least an annual basis. Written performance reports are produced, reviewed and provided to Clients upon request. Wrap fee program accounts are subjected to a risk-based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity, and concentration. The exception reporting identifies accounts where additional scrutiny or analysis by 3CTWM is appropriate.

During any month that there is activity in the program account, client will receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, client will receive a confirmation of each transaction that occurs within the program account unless the transaction is the result of a systematic purchase, redemption or exchange. Clients will also receive a detailed quarterly report showing performance, positions and activity from LPL.

### **Item 14: Client Referrals and Other Compensation**

3CTWM does not compensate any unrelated persons for client referrals or endorsements

### **Item 15: Custody**

3CTWM does not maintain physical possession of client cash and/or securities. 3CTWM is deemed to have custody of client assets (as defined by the Adviser's Act) when 3CTWM directly deducts client fees from the client's account and because certain clients have executed standing letters of authorization ("SLOA") for distributions.

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3CTWM has implemented procedures to meet the specific conditions as stated in the SEC's SLOA no action letter under which the obligation to obtain a surprise examination is waived. Each custodian holding client assets sends statements directly to the account owners on at least a quarterly basis.

Cash and securities are maintained at LPL Financial or other custodians, each a qualified custodian within the meaning of the Adviser's Act. Clients will receive account statements directly from a qualified custodian at least quarterly and should carefully review those statements. We urge clients to compare the account statements received from the custodian with the reports they receive from 3CTWM.

### **Item 16: Investment Discretion**

3CTWM provides management services on a discretionary or non-discretionary basis. The client authorizes the Adviser to have discretion or limits the Advisors discretion based on the terms of the executed Investment Management Agreement.

### **Item 17: Voting Client Securities**

3CTWM does not accept proxy voting authority with respect to client securities. All proxies are sent directly to the client from the custodian. Clients can contact 3CTWM at 724-683-3450 with questions regarding proxies.

### **Item 18: Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about the firm's financial condition. 3CTWM does not require or solicit prepayment of fees more than six months in advance. Additionally, 3CTWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been subject to a bankruptcy proceeding.