



Shelter Wealth Strategies, LLC

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This brochure provides information about the qualifications and business practices of Shelter Wealth Strategies, LLC. If you have any questions about the contents of this brochure, please contact us at (713) 620-8500. 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.

Any reference to Shelter Wealth Strategies, LLC as a registered investment adviser does not imply a certain level of skill or training.

Additional information about Shelter Wealth Strategies, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The following is a discussion of the more significant changes to our brochure since the last amendment was filed on January 30, 2026.

- *Item 4 - Advisory Business* was updated to reflect that the transition of our investment adviser registration from various state securities authorities to the U.S. Securities and Exchange Commission was effective March 3, 2026.
- *Item 5 – Fees and Compensation* was revised to provide an updated fee schedule that we generally charge for the wealth management services that we provide to our clients.

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Item 4: Advisory Business

Our Firm & Ownership

Shelter Wealth Strategies, LLC (“Shelter,” “we” or “us”) is an investment adviser registered with the U.S. Securities and Exchange Commission. We were originally organized under the laws of the State of Texas in May 2014 under the name “Greystone Advisory Group LLC,” but changed our name to “Shelter Wealth Strategies, LLC” on September 30, 2025. We provide discretionary wealth management, financial planning and other investment advisory services to clients. In addition, we serve as a referring adviser that offers access to other investment advisory firms and financial institutions.

Our parent company is HFB Holdings, LLC, a limited liability company formed under the laws of the State of Delaware. The principal owners and controlling members of HFB Holdings, LLC are LKCM Headwater Investments IV, L.P. (“LKCM Headwater”), a private investment fund for which Luther King Capital Management Corporation serves as investment adviser, and Maple Valley Investments, LLC, a limited liability company controlled by Scott H. Freeman.

Our Investment Advisory Services

We offer multiple types of investment advisory services to a variety of clients, including individuals, high net worth individuals, families, trusts, estates, foundations, endowments and other types of clients. A description of the principal investment advisory services that we provide on behalf of clients appears below.

Wealth Management Services

We provide a broad range of comprehensive and customized wealth management and related services on a discretionary basis to our clients. We provide wealth management and related services to our clients based upon their respective investment objectives, goals, restrictions, tax considerations, risk profiles and tolerances, investment time horizons, liquidity requirements, instructions and other relevant considerations. Our investment management agreement with you generally provides that we have discretionary authority to implement our wealth management services on your behalf without your prior approval, although you may impose reasonable restrictions on the wealth management and related services that we provide if we deem acceptable in our discretion.

Our principal wealth management services include providing our clients with discretionary investment management and related services for their investment accounts. Our wealth management services may include actively-managed, passively-managed or hybrid model portfolio solutions, which allow us to exercise discretionary authority to implement a specialized investment strategy that is managed by us based on model portfolios developed by us or third-party providers. Our wealth management services may also include individual, non-pooled investment solutions, which allow us to exercise discretionary authority to create customized investment portfolios for your account consisting of individual equity securities, fixed income securities or other securities.

At the inception of the relationship, we seek to understand and identify our clients’ investment objectives, goals, restrictions, tax considerations, risk profiles and tolerances, investment time horizons, liquidity requirements, instructions and other relevant considerations, which in turn form the basis for the investment strategies that we seek to implement on behalf of our clients and their investment accounts. Based on these factors and other considerations, client portfolios are generally constructed utilizing a combination of separately managed accounts, direct indexing strategies, exchange-traded funds (“ETFs”), open-end mutual funds, closed-end mutual funds, individual equity securities, individual fixed income securities, alternative investments, cash and cash equivalents and/or other investments. Client portfolios may also be constructed

utilizing actively-managed, passively-managed or hybrid model portfolio solutions that incorporate some or all of the investments described above. We may purchase, sell, rebalance or reallocate different types of investments, securities, positions, weightings or model portfolios in our clients' accounts from time to time based upon updates to the investment objectives and goals of our clients, our assessment of market conditions, risks and/or exposures, the tax objectives of our clients, the risk profiles and tolerances of our clients, the investment time horizons of our clients, the liquidity needs or other requirements of our clients, or based on other factors in our discretion.

The investment goals, objectives, restrictions, tax considerations, risk profiles and tolerances, investment time horizons, and liquidity requirements of our clients are unique. As a result, the wealth management services that we provide to our other clients, as well as the actions we take for our other clients or for our personal accounts, may differ from the wealth management services that we provide to you or the actions we take for you and your account. We are not obligated to buy, sell, invest in or recommend to you any security, model portfolio, investment strategy or other investment that we may buy, sell, invest in or recommend for our other clients or for our own personal accounts. There may be model portfolio solutions or other investment strategies not recommended or offered by us, or recommended or offered by other third-party investment managers, that could be appropriate for you and may be less costly than those recommended or offered by us. There are no guarantees that your investment objectives and goals will be achieved through our wealth management services.

Financial Planning Services

We provide various financial planning services to clients either as part of our comprehensive wealth management services or through consultations on an as-requested basis pursuant to a separate written financial planning or consulting agreement. In performing financial planning services, we typically evaluate and analyze a client's overall financial information and investment and savings goals and objectives and consider, among other things, a client's investments, income, retirement and other savings, insurance, taxes, indebtedness, estate planning needs, educational funding requirements, investment time horizon, and liquidity requirements.

Generally, our financial planning services involve either preparation of a written financial plan or rendering specific financial planning consultations based on our evaluation of the considerations described above, among other things. Our financial planning services necessarily depend on the information that is provided to us by our clients and their attorneys, accountants, custodians, trustees or other professionals or representatives, and we do not assume any obligation to independently verify such information. We utilize third-party systems, tools and resources in connection with the financial planning services we provide. Any recommendations that we provide to clients in connection with our financial planning services are based upon our professional judgment and we cannot guarantee the success or results of any such recommendations. Unless otherwise set forth in our written agreement with you, we have no obligation to update or otherwise periodically review any recommendations, written financial plans, or financial planning consultations that we provide to clients.

Referring Adviser Services

We provide referral services to third-party investment managers for our clients and other individuals. Our referring services generally include us or our affiliates introducing our clients or other individuals to third-party investment managers for them to consider in connection with the management of their investments, accounts or other assets. In addition, we generally provide background and other information regarding the third-party investment managers that we or our affiliates introduce to our clients or other individuals. In the event our clients or other individuals select a third-party investment manager introduced by us or our affiliates, our referring adviser services to such clients or other individuals is complete, and the third-party investment manager (and not us) is responsible for providing ongoing investment advisory services to such

clients or other individuals. In these situations, we or our affiliates are acting strictly as a referring adviser, and once the relationship with the third-party investment manager is established, we or our affiliates are no longer involved in the investment advisory relationship with such clients or other individuals.

We face potential conflicts of interest associated with our referring adviser services, because we receive compensation from third-party investment managers for introducing you to them and we receive such compensation even though we are not responsible for providing ongoing investment advisory services for your account. We also face potential conflicts of interest when we recommend our wealth management and other services over those provided through our referring adviser services, because our wealth management services will increase our assets under management and the compensation we receive from clients as compared to those received through our referring adviser services.

Retirement Account Advisory Services

We provide investment advice to our clients regarding retirement plans or individual retirement accounts, in which case we may be deemed a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 and/or the Internal Revenue Code of 1986. When we deem it to be in the best interest of a client, we may provide investment advice to that client regarding a distribution from the client's retirement accounts or to roll over the client's assets to an individual retirement account or recommend a similar transaction including rollovers from one sponsored retirement plan to another, one individual retirement account to another individual retirement account, or from a commission-based account to a fee-based account (or vice versa).

Our recommendations regarding retirement plans or individual retirement accounts may create potential conflicts of interest because we have an incentive to recommend that you roll over your assets into one or more accounts that we manage, which would increase our assets under management and the compensation that we receive as a result of our recommendations. You are under no obligation, contractually or otherwise, to implement any recommendations that we provide with respect to any such retirement plan rollovers or otherwise. Further, if you do complete a rollover based on our recommendation, you are under no obligation to have the assets in an account managed by us.

Other Services

We may provide such other investment advisory services to our clients as may be reasonably requested by our clients from time to time.

Client Account Management

We provide customized wealth management and other investment advisory services to our clients based upon their respective investment objectives, goals, restrictions, tax considerations, risk profiles and tolerances, investment time horizons, liquidity requirements, instructions and other relevant considerations. We seek to ascertain such investment objectives, goals, restrictions, tax considerations, risk profiles and tolerances, investment time horizons, liquidity requirements, instructions and other relevant considerations at or prior to the inception of the client relationship, and then periodically thereafter in connection with our periodic consultations with clients or otherwise. Our clients may impose reasonable restrictions on the wealth management and other investment advisory services that we provide if we deem acceptable in our discretion.

Wrap Fee Programs

We do not participate in or sponsor wrap fee programs. The third-party investment managers to which we provide introductions to our clients as part of our referring adviser services may participate in or sponsor

wrap fee programs, which would be disclosed in the documents and other information provided by those third-party investment managers.

Assets Under Management

As of December 31, 2025, we had approximately \$144,100,000 of regulatory assets under management, all of which we managed on a discretionary basis. At December 31, 2025, we also had approximately \$575,200,000 of referred assets under administration attributable to the referring adviser services that we provide.

Item 5: Fees and Compensation

Compensation for Our Advisory Services

The following section describes how we are compensated for the wealth management and other investment advisory services that we provide to our clients. We require our clients to enter into a written agreement with us governing the wealth management and other investment advisory services that we provide to them.

Wealth Management Services

Under our investment management agreements for our wealth management services, we generally charge a management fee at a specified annual percentage rate of each account's assets under management as follows: 1.50% on the first \$1 million of assets under management, 1.25% on the next \$4 million of assets under management, and 1.00% for any additional amounts over \$5 million of assets under management. Unless we otherwise agree, our investment management agreements for wealth management services generally provide that you must pay management fees to us quarterly in advance. Our management fees for the first quarter of our wealth management services are generally prorated from the inception date of the relationship to the end of such first quarter. Our investment management agreements for wealth management services typically may be terminated at any time by either party upon written notice to the other party. If your investment management agreement for wealth management services is terminated prior to the end of a calendar quarter, we will calculate and refund to you any unearned management fees paid in advance, prorated to the date of termination.

We may consolidate the assets under management held by our clients and their households for purposes of calculating our management fees in our discretion. We may waive, adjust, reduce or negotiate management fees and account minimums for clients in our discretion. We generally waive, adjust, reduce or negotiate management fees and account minimums for accounts in which we or our principals, affiliates, employees or related persons have a direct or indirect beneficial interest. Our management fees may be adjusted, waived or otherwise negotiated in our discretion and, therefore, certain clients may have fee schedules that are lower or higher than that described above. In addition, clients whose investment management agreements or investment advisory relationships we have assumed or acquired from other investment advisory firms may have fee schedules that are lower or higher than that described above.

Our management fees are generally based on your custodian's calculation of the fair market value of the assets in your account as of the close of business on the last business day of the most recent calendar quarter. We utilize technology and other systems provided by our third-party service providers and custodians to assist in the calculation of management fees for your account. If no pricing information for a particular security is readily available from your custodian for the applicable measurement date, we will determine the fair market value of the security in good faith. In such situations, a potential conflict of interest exists

because our management fees and performance results will be based on our valuations of securities in your account.

Our investment strategies are designed to be long-term in nature, and any withdrawal of assets from your account may impair our ability to achieve your investment objectives and goals. Our management fees are based on the fair market value of your account at the end of the quarter, and we generally do not reduce or adjust our management fees for contributions or withdrawals from your account that occur during the applicable quarter.

Financial Planning Services

We may provide financial planning services to you as part of our investment management agreement for wealth management services or through consultations on an as-requested basis under a standalone financial planning or consulting agreement. If financial planning services are provided under our investment management agreement for wealth management services, our financial planning services are included in the management fees described above for our wealth management services. If financial planning services are provided through consultations on an as requested basis under a standalone financial planning or consulting agreement, our fees for such services may be negotiated in our discretion. We may charge additional fees for providing periodic updates or reviews of any recommendations provided to you through our financial planning services to the extent set forth in our agreement with you.

Referring Adviser Services

We provide referral services on a non-exclusive basis to third-party investment managers for clients and other individuals. When we provide referral services to third-party investment managers for our clients and other individuals, we enter into a promoter relationship with the third-party investment manager. In these situations, our clients or other individuals will enter into an investment management agreement directly with the third-party investment manager, and we will enter into a promoter agreement directly with the third-party investment manager. The third-party investment management manager retains sole authority and responsibility for providing ongoing investment advisory services to our clients or other individuals, and we are not involved and have no further interaction with the clients or other individuals in an investment advisory capacity. Under our promoter agreements with the third-party investment managers, the third-party investment managers generally pay us compensation based upon a percentage of the management fees the third-party investment managers receive from managing the accounts of such clients or other individuals for as long as they retain their account with the third-party investment managers. In these relationships, you will not be charged extra management fees by the third-party investment manager solely because we introduced you to them under our promoter agreement with them. We or the third-party investment managers are responsible for providing you with documentation describing our relationship with the third-party investment manager, the compensation they pay to us, and any material conflicts of interest associated with the relationship. Our promoter agreements with third-party investment managers create potential conflicts of interest because our compensation will increase to the extent that we retain, add or expand our relationships with clients or other individuals as a result of our promoter agreements with third-party investment managers.

Retirement Account Advisory Services

If we provide investment advice to you regarding your retirement plans or individual retirement accounts, our compensation for such services, if any, will be included in our compensation arrangements for either wealth management, financial planning or other investment advisory services described above. Our recommendations may present a potential conflict of interest because we have an incentive to make

recommendations that increase our assets under management and benefit our compensation through our wealth management, financing planning or other investment advisory services.

Other Services

We may provide such other investment advisory services to our clients as may be reasonably requested by our clients from time to time, and the fees for such services are negotiable between us and our clients and are set forth in the agreement we enter into with our clients for such services.

Payment of Management Fees

Wealth Management Services

Under our investment management agreement with you for our wealth management services, you will generally provide us with written authorization to deduct management fees from your account on a quarterly basis by submitting an invoice for our management fees directly to your custodian. You will be invoiced directly for management fees if negotiated in our investment management agreement with you. Under our investment management agreement with you, we are compensated for our wealth management services in advance of the quarter in which such services are rendered. We will calculate your management fees based on your custodian's calculation of the fair market value of assets in your account as of the close of business on the last business day of the most recent calendar quarter, and we will utilize technology and other systems provided by our third-party service providers and custodians to assist in the calculation of management fees for your account. You may terminate our investment management agreement with you at any time by providing written notice to us. Upon termination of our investment management agreement, we will refund to you any unearned, prepaid wealth management fees prorated from the effective date of termination to the end of the quarter. You will receive a statement, at least quarterly, from your custodian reflecting the deduction of our management fees from your account. We urge you to compare the account statements or other information that we provide you to those provided by your custodian, as custodians do not perform verifications of our management fees.

Financial Planning Services

If we provide financial planning services to you as part of our wealth management services and set forth in our investment management agreement with you, our compensation for such services will be included in the compensation you pay for our wealth management services and will be paid in advance as described above. If we provide financial planning services on an as-requested basis under a standalone financial planning or consulting agreement, our compensation for such financial planning services will be set forth in our written agreement with you. In this case, we will invoice you directly for such financial planning services and our compensation will be fully earned at the time we provide such services to you. You may terminate any standalone financial planning or consulting agreement at any time by providing written notice to us.

Referring Adviser Services

Under our promoter agreements with third-party investment managers as part of our referring adviser services, the third-party investment managers are responsible for paying our referral fees, and we will not invoice you directly for these referral fees. If you pay management fees to such third-party investment managers in advance for their services, then we will also receive referral fees in advance directly from these third-party investment managers. Your investment management agreements with such third-party investment managers will determine the circumstances under which you can terminate your investment management agreement with them, and whether or not you will be entitled to receive any prorated refunds of unearned management fees you have paid them in the event of any such termination. Under our promoter

agreements with third-party investment managers, we generally are not required to reimburse the third-party investment managers for any portion of our referral fees that we receive from them in the event you terminate your investment management agreement with them prior to the end of a calendar quarter. We do not negotiate the terms of investment management agreements with third-party investment managers on your behalf, and you will be solely responsible for determining the terms and provisions of those agreements with the third-party investment managers.

Other Fees & Expenses

You will be responsible for paying other fees and expenses related to your account in addition to the management fees you pay us. For example, you will be responsible for paying custodial fees, wire transfer fees, transaction fees, and other fees and expenses of your custodian. In addition, you will be responsible for paying commissions, fees, expenses, and other transaction costs charged by your custodian and/or the brokers used to execute securities transactions for your portfolio, including, without limitation, transactions in equity securities, fixed income securities, mutual funds, exchange-traded funds, money market funds, and cash and cash equivalent vehicles and instruments. You will also indirectly pay fees and expenses (such as management fees and expenses, distribution fees and expenses, administrative fees, sub-transfer agency and shareholder servicing fees and expenses, and other operating expenses) associated with shares of mutual funds, exchange-traded funds, money market funds, and cash and cash equivalent vehicles and instruments held in your account, which are further described in the prospectuses, statements of additional information, and other disclosure documents for these funds and vehicles. You may be able to invest in such mutual funds, exchange-traded funds, money market funds, or cash and cash equivalent vehicles and instruments or other securities directly and at a lower cost, without our investment advisory services, but in such event you would not receive our wealth management services, which are designed, among other things, to assist you in seeking to achieve your investment objectives and goals. *Item 12 – Brokerage Practices* of this brochure contains additional information regarding our brokerage practices and the commissions, fees, expenses and other transaction costs that you may be charged.

Compensation for Sale of Securities

We are not a broker-dealer or a custodian and we do not earn commissions or other transaction-based compensation from the purchase or sale of securities or other investment products in your account.

Certain of our supervised persons are also licensed insurance professionals. As a licensed insurance professional, these individuals may earn commission-based compensation in connection with sales of insurance products, including insurance products that may be sold to our clients. Any such insurance-based compensation will be earned by our supervised persons and is separate and in addition to our compensation for providing you investment advisory services. These practices may present potential conflicts of interest because our supervised persons that are licensed insurance professionals have an incentive to recommend insurance products that generate insurance-based compensation that may be higher than or in addition to the compensation that we receive for providing you investment advisory services. Our clients are under no obligation, contractually or otherwise, to purchase insurance products through any of our supervised persons or otherwise. Please see *Item 10 – Other Financial Industry Activities and Affiliations* of this brochure for additional information.

Item 6: Performance-Based Fees and Side-by-Side Management

We do not charge performance-based fees for our wealth management or other investment advisory services, and we do not manage any proprietary investment funds, limited partnerships or other similar types of investments or investment vehicles.

We make investment decisions for our clients based on their respective investment objectives, guidelines, restrictions, risk profiles and tolerances, tax status, investment time horizons, liquidity requirements and other relevant considerations. Consequently, we may purchase or sell securities at the same or different times for some clients but not other clients, or we may make investment decisions for some clients that are contrary to investment decisions for other clients. As a result, investment decisions made for some clients with respect to a particular investment or investment strategy could have an adverse financial impact on the value of such investment or investment strategy held by other clients or the investment results achieved by clients with respect to such investment or investment strategy. In addition, we could favor some clients over other clients in the order in which trades are placed, in that accounts for which trades are placed first could receive a more or less favorable execution price than accounts for which trades are placed in subsequent transactions. These practices create potential conflicts of interest because we have an incentive to favor certain clients, particularly those in which we have a direct or indirect financial interest or those that generate higher management fees, over other clients with respect to such investment and trading decisions.

We could also favor some clients over other clients when allocating investment opportunities of a limited nature, such as initial public offerings, micro cap or small cap investments, and other illiquid investments. In this regard, we could allocate such investment opportunities to clients that pay higher management fees. We attempt to allocate such investment opportunities among our clients in a manner we believe to be fair and equitable under the circumstances taking into consideration all relevant factors, including the investment objectives, guidelines, restrictions, risk profiles and tolerances, tax status, investment time horizons and liquidity requirements applicable to such clients. A potential conflict of interest exists because we have a financial incentive to make allocation and other investment decisions that enhance our compensation or the performance results of those accounts that pay higher management fees.

The foregoing practices are considered potential conflicts of interest because we may have an incentive to make investment or other decisions that benefit certain clients over other clients. We believe we have implemented policies and procedures that are reasonably designed to mitigate potential conflicts of interest raised by our side-by-side management of various accounts and investment strategies. In this regard, we generally consider a number of factors when making investment decisions for, or allocating investment opportunities among, eligible clients, including: the investment objectives, guidelines, policies, strategies and restrictions of our clients; our investment strategy objectives, guidelines, policies and requirements; liquidity requirements and/or available capital resources; risk profiles and tolerances; investment time horizons and investment periods; tax status and related tax considerations; market, sector, industry and portfolio exposures, concentrations, weightings and/or similar constraints; applicable legal or regulatory requirements or constraints; and/or other factors deemed relevant by us. Some of our other policies and procedures are described throughout this brochure, including in *Item 12 – Brokerage Practices* of this brochure. You may contact our Chief Compliance Officer at (713) 620-8500 to discuss the policies and procedures we have implemented in an effort to mitigate potential conflicts of interest raised by our side-by-side management of various accounts and investment strategies.

Item 7: Types of Clients

We offer wealth management, financial planning and other investment advisory services to individuals, high net worth individuals, families, trusts, estates, foundations, endowments and other similar types of clients. We generally require a minimum relationship size of at least \$250,000 in connection with our investment advisory services, but we may waive this minimum in our discretion. In our discretion, we may consolidate the amount of assets under management held in accounts of our clients and their households

and related accounts to determine whether or not our account minimums are satisfied for a particular client relationship.

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

We offer our clients several equity, fixed income and other investment strategies. The following is a description of the investment techniques and investment strategies that we generally use in managing assets for our clients as well as a summary of the material risks associated with those investment techniques and investment strategies. These investment techniques and investment strategies may vary over time depending on various factors. There are no assurances or guarantees that our investment techniques or investment strategies will be successful in helping you achieve your investment objectives and goals or otherwise be profitable. Nothing in this brochure is intended to imply, and no one is or will be authorized to represent, that our investment techniques or investment strategies are low risk or risk-free. Investment in securities involves the risk of loss of money and you should be prepared to bear that loss.

Methods of Analysis

We generally use the following methods of analysis, among others, in formulating investment advisory services for our clients. In conducting our analyses, we generally incorporate research from numerous sources, such as financial newspapers and magazines, third-party research materials and reports, reports filed by companies with the SEC, press releases and other information disseminated by issuers, corporate rating services, and discussions with company management teams, economists, other investors and analysts. There are various risks associated with any method of analysis that we may use.

Fundamental Analysis

Fundamental analysis generally involves the evaluation of securities by attempting to measure their intrinsic value by examining related economic, financial, business and other qualitative and quantitative factors and indicators. Fundamental analysts generally focus on the factors that can affect a security's value, such as macroeconomic factors (such as past performance of the overall economy and general industry conditions) and specific individual factors (such as the financial condition and management of a company). A risk associated with fundamental analysis is that it is somewhat subjective and entails a qualitative assessment of how market forces interact with one another in their impact on the particular investment in question. Although we believe that fundamental analysis helps us in evaluating potential investments and investment strategies, it does not guarantee that our investment decisions will be successful and you could lose money.

Technical Analysis

Technical analysis generally involves the analysis of statics and data generated by market activity, such as past prices and volume, as opposed to specific company data, in connection with our investment strategies and recommendations made to clients. Technical analysts generally do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify market patterns and trends that can suggest future activity. Technical analysts generally believe that the historical performance of companies and markets are better indications of future performance. Technical analysis can be even more subjective than fundamental analysis in that it relies on the proper interpretation of a given security's price and trading volume data or other market data. Technical analysis is generally done through observation of various market sentiment readings, many of which are quantitative. The primary risk in using technical analysis is that our interpretations of historical trends and market data may not help us predict such trends in the future and you could lose money.

Investment Strategies

There are a number of investment strategies that we may pursue when providing investment advisory services to you. A description of some of these investment strategies appears below. In designing customized investment strategies for our clients, we consider the investment objectives and goals, investment time horizons and investment periods, risk profiles and tolerances, liquidity requirements, tax considerations and requirements, and other relevant considerations applicable to the clients for whom we are pursuing such investment strategies. When implementing investment strategies for our clients, we rely on our clients to provide full and accurate disclosure of the foregoing information, among other things, and our clients are responsible for informing us if any of the foregoing information changes due to subsequent financial or personal circumstances or otherwise.

Direct Indexing

Direct indexing is the process by which we invest in an investment portfolio comprised of individual equity securities, fixed income securities, exchange-traded funds, mutual funds, or other investments that are intended to replicate the performance of one or more investment indexes, strategies or models, which are referred to as benchmarks. Our direct indexing strategies may not contain all of the constituent securities of the applicable benchmark, may contain securities in addition to those included in the applicable benchmark, or may contain securities in different weights or allocations than the applicable benchmark. In addition, our direct indexing strategies may be customized and be based on multiple benchmarks and their constituents or other securities. As a result, our direct indexing strategies generally will not track the applicable benchmarks exactly, and the gains or losses associated with this investment strategy may be greater or less than the gains or losses experienced by the applicable benchmarks. Our ability to execute on our direct indexing strategies may be impacted by, among other things, restrictions on investments placed by clients on their accounts, tax consequences associated with reallocations or investment decisions for the account, or contribution or withdrawal activity by clients in their accounts.

Strategic Asset Allocation

A strategic asset allocation generally requires setting target allocations associated with equity, fixed income or other securities, separately managed accounts, model portfolios, exchange-traded funds and/or mutual funds, and then periodically rebalancing the portfolio back to those targets as investment returns deviate from the original asset allocation percentages. Strategic asset allocation is designed to be a longer-term investment strategy, rather than an active trading approach. Strategic asset allocations are based on the investment goals and objectives of our clients, among other considerations, which may change over time due to various factors. Our ability to execute on our strategic asset allocation strategies may be impacted by, among other things, restrictions on investments placed by clients on their accounts, tax consequences associated with reallocations or investment decisions for the account, or contribution or withdrawal activity by clients in their accounts.

Style-Based and Risk-Based Investing

Style-based investing generally requires investing in equity, fixed income or other securities, separately managed accounts, model portfolios, exchange-traded funds and/or mutual funds that fall within certain investment styles, while risk-based investing requires investing in equity, fixed income or other securities, separately managed accounts, model portfolios, exchange-traded funds and/or mutual funds that fall within certain investment philosophies. For example, a value investing strategy may involve selecting securities or other investments that we believe trade for less than their intrinsic values. A growth investing strategy may involve selecting securities or other investments that are focused on companies whose earnings we believe will increase at an above-average rate compared to their industry sector or the overall market. A conservative investment strategy may involve selecting fixed income securities or other investments that

we believe will be more resilient to volatility in the overall markets and preserve capital. An aggressive investment strategy may involve selecting equity securities or other investments that we believe have the potential for greater investment returns but that will also be more exposed to volatility in the overall markets and subject to significant fluctuations in value. An income investment strategy may involve a combination of equity and fixed income securities or other investments that are designed to generate cash flow for the portfolio. There are numerous style-based and risk-based investing strategies that we may pursue for our clients, which we will seek to design based on the investment objectives and goals, investment time horizons and investment periods, risk profiles and tolerances, liquidity requirements, and tax considerations of the applicable clients. Our ability to execute on our strategic asset allocation strategies may be impacted by, among other things, restrictions on investments placed by clients on their accounts, tax consequences associated with reallocations or investment decisions for the account, or contribution or withdrawal activity by clients in their accounts.

Risk of Loss

Investing in securities and other investments, including equity securities, fixed income securities and other securities, always involves a risk of loss. There are varying degrees of risk to which you may be exposed depending on the different types of investment strategies we utilize. Accordingly, you should be prepared to bear a loss of the entire amount of your investment associated with our investment strategies. Further, past performance is not indicative of future results. You should never assume that future performance of any specific investment or investment strategy will be profitable or otherwise meet your investment goals and objectives. A summary of the principal risks associated with our investment strategies appears below. The following is not a complete list of all risks associated with our investment strategies, and the principal risk of investing in our investment strategies is that you could lose money.

Alternative Investments Risk

Our investment strategies that involve alternative investments are subject to various investment and other risks. Alternative investments can be illiquid due to restrictions on transfer and the lack of a secondary trading market. These investments may lack transparency as to price, valuation and portfolio holdings. Compared to exchange-traded funds, mutual funds and other types of investments, alternative investments are generally subject to less regulation and often charge higher fees.

Credit Risk

Our investment strategies that involve fixed income securities are subject to the risk that the issuer or guarantor of a fixed income security held by the strategy becomes unable or unwilling, or is perceived (whether by market participants, ratings agencies, pricing services, or otherwise) as unable or unwilling, to make timely interest or principal payments or otherwise honor its obligations, which may cause the strategy's fixed income securities to lose value. If the strategy holds fixed income securities of an issuer that experiences financial problems, the securities will likely decline in value or the issuer may fail to make timely payments of interest or principal on the securities. The extent of this risk varies based on the terms of the particular security and the financial condition of the issuer. A security's degree of credit risk is often reflected in its credit rating, with higher ratings corresponding to lower perceived credit risk. A downgrade in the credit rating of an issuer of fixed income securities, factors affecting an issuer directly, factors affecting the industry in which a particular issuer operates, and changes in general social, economic or political conditions, can increase the risk of default by an issuer or reduce the market value of an issuer's securities. The credit quality of a security can deteriorate suddenly and rapidly. Lower credit quality also may lead to greater volatility in the price of a security and may negatively affect a security's liquidity. In addition, credit ratings agencies may fail to make timely changes to credit ratings in response to subsequent events and a credit rating may fail to reflect changes in an issuer's financial condition. Credit ratings reflect a rating agency's opinion regarding a fixed income security's quality but are not a guarantee of quality and

do not protect against a decline in the security's value. The ratings assigned to securities by rating agencies do not propose to fully reflect the true risks of an investment, and ratings agencies may not always change their credit ratings on an issuer or security in a timely manner to reflect events that could affect the issuer's ability to make timely payments on its obligations. Changes in the actual or perceived creditworthiness of an issuer, or a downgrade or default affecting any of the securities held by the strategy, could negatively affect the strategy's performance. Credit risk is typically greater for securities with ratings that are downgraded below investment grade. Generally, the longer the maturity of a security, the more sensitive it is to credit risk.

Cryptocurrency Risk

Our investment strategies that involve cryptocurrencies are subject to additional risks. Cryptocurrency is a digital or virtual currency that is used as an alternative payment method or speculative investment. Cryptocurrency is not backed by real assets or tangible securities, are traded between consenting parties with no broker, and most are traded on decentralized, digital ledgers with blockchain technology. Cryptocurrency is subject to, and has experienced, rapid surges and collapses in values. In addition to the market risk associated with investments in general, cryptocurrency investments carry other risks and, as a result, are considered to be a more volatile investment as compared to other more traditional investments, such as equity securities or fixed income securities or other investments.

Cybersecurity Risk

Operational risks arising from, among other things, human or processing errors, systems and technology disruptions or failures, or cybersecurity incidents may negatively impact portfolio companies in which the strategy invests, including their service providers, and result in financial losses. Cybersecurity incidents may allow unauthorized parties to gain access to or misappropriate a portfolio company's assets or confidential or proprietary information, or cause a portfolio company or its service providers to suffer data corruption or lose operational functionality. In addition, authorized persons of a portfolio company or its service providers could inadvertently release confidential or proprietary information stored on the systems of a portfolio company or its service providers or other market participants. The occurrence of any of these problems could result in a loss of information, violations of applicable privacy or other laws, regulatory scrutiny, penalties, fines, reputational damage, additional compliance requirements and other consequences, any of which may have a material impact on a portfolio company held by the strategy. It is not possible for portfolio companies in which the strategy invests or their service providers to identify all of the operational risks that may affect them or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. Recent geopolitical tensions may increase the scale and sophistication of deliberate cyberattacks, particularly those from nation-states or from entities with nation-state backing. Portfolio companies in which the strategy invests, including their service providers, are exposed to various risks related to cybersecurity incidents, and the value of the investments in portfolio companies held by the strategy could be adversely impacted in the event any such cybersecurity incidents occur. Portfolio companies in which the strategy invests may incur substantial costs to prevent or address cybersecurity incidents.

Equity Securities Risk

Our investment strategies that involve equity securities are subject to investment risk, issuer risk, market risk and significant fluctuations in value in response to changes in a company's financial condition as well as general market, economic and political conditions, and other factors. The strategy may experience a significant or complete loss on its investment in an equity security. In addition, equity prices may be sensitive to rising interest rates, which increase borrowing costs and the costs of capital for the issuer. Equity securities are generally subordinate to an issuer's debt in the event of liquidation or bankruptcy. The strategy's investments in equity securities primarily consist of common stocks and may include American

Depository Receipts (ADRs), real estate investment trusts (REITs), and other equity securities. The value of an issuing company's common stock may rise or fall as a result of factors affecting the issuing company, such as decisions made by its management or decreased demand for the company's products or services. A common stock's value may also decline because of factors affecting not just the company, but also companies in the same industry or sector. The price of a company's common stock may also be affected by changes in financial markets that are relatively unrelated to the company, such as changes in interest rates, exchange rates, industry regulation, or other financial market factors. ADRs are receipts issued by domestic banks or trust companies that represent the deposit of a security of a foreign issuer and are publicly traded in the United States. ADRs are subject to certain of the risks associated with investing directly in foreign securities, such as currency fluctuations, political and economic instability, capital restrictions, less liquidity, less government regulation, less publicly available information, increased price volatility, and differences in financial reporting standards, and may not accurately track the prices of the underlying foreign securities and their value may change materially at times when the U.S. markets are not open for trading. REITs are pooled investment vehicles with their own fees and expenses and are subject to the risks associated with the real estate industry, adverse governmental actions, declines in property and real estate values, and the potential failure to qualify for federal income tax free pass through of net income and net realized gains and exemption from registration as an investment company.

Exchange-Traded Fund Risk

Our investment strategies that involve investments in exchange-traded funds (ETFs), which are pooled investment vehicles whose shares are typically listed and traded on stock exchanges or otherwise traded in over-the-counter markets, are subject to additional risks. To the extent a strategy invests in ETFs, the strategy will be subject to substantially the same risks as those associated with the direct ownership of the equity securities, fixed income securities and/or other securities on which the ETF is based and the value of the strategy's investment will fluctuate in response to the performance of the ETF and its underlying securities. ETFs incur their own fees and expenses and, accordingly, a strategy's investments in ETFs may result in additional expenses associated with the strategy's investment program, including potential duplication of management fees and other expenses. Because the value of shares of an ETF depends, among other things, on the level of demand for such ETFs in the financial markets, ETF shares may trade at a discount or premium to their net asset value. The strategy may not be able to liquidate its holdings in ETFs at the most optimal time due to various factors, which could adversely affect the strategy's investment program and performance.

Fixed Income Securities Risk

Our investment strategies that involve investments in fixed income securities are subject to the risk that the prices of, and the income generated by, fixed income securities held by the strategy may decline significantly and/or rapidly in response to adverse issuer, geopolitical, regulatory, general economic and market conditions, or other developments, such as regional or global economic stability (including terrorism, pandemic and related geopolitical risks), interest rate fluctuations, and those events directly involving the issuers that may cause broad changes in market value, public perceptions concerning those developments, and adverse investor sentiment. These events may lead to periods of volatility, which may be exacerbated by changes in bond market size and structure. The strategy's investments in fixed income securities may be subject to unusual liquidity issues and, in some cases, credit downgrades and increased likelihood of default.

Foreign Securities Risk

Our investment strategies that involve investments in foreign securities involve additional risks. The strategy may directly invest in securities of foreign issuers or may indirectly invest in securities of foreign issuers through ADRs or ETFs that are designed to track the performance of foreign indexes. Investment

in foreign securities, or investments in ETFs that are designed to track the performance of foreign indexes, carry potential risks not associated with domestic investments. Accordingly, the strategy is subject to risks associated with foreign markets, such as currency exchange rate fluctuations, political and financial instability, less liquidity and greater volatility of foreign investments, lack of uniform accounting, auditing and financial reporting standards, different government regulation and supervision of foreign banks, stock exchanges, brokers and listed companies, adverse social and economic developments, and limited information about foreign companies. The unavailability and/or unreliability of public information may impede the strategy's ability to accurately evaluate foreign securities. It also may be difficult to enforce contractual obligations or invoke judicial or arbitration processes against non-U.S. companies and non-U.S. persons in foreign jurisdictions. There may be very limited oversight of certain foreign banks or securities depositories that hold foreign securities and currency and the laws of certain countries may limit the ability to recover such assets if a foreign bank or depository or their agents goes bankrupt. To the extent the strategy invests a significant portion of its assets in securities of a single country or geographic region at any one time, it is more likely to be affected by events or conditions in that country or region. In addition, as a result of increasingly interconnected global economies and financial markets, the value and liquidity of a strategy's investments in foreign securities may be negatively impacted by events impacting a country or region, regardless of whether the strategy invests in issuers located in or with significant exposure to such country or region. These risks may be more pronounced for direct or indirect investments in foreign issuers in emerging markets or developing countries.

General Market and Economic Risk

Our investment strategies are subject to the risk that securities markets may move down, sometimes rapidly and unpredictably, based on overall economic conditions and other factors, which may negatively affect the value of the strategy's investments. Equity securities generally have greater price volatility than fixed income securities, although under certain market conditions fixed income securities may have comparable or greater price volatility. Financial markets may at times be volatile and the value of the strategy's investments may decline in price, sometimes significantly and/or rapidly, due to a broad decline in the financial markets or other factors. The value of the strategy's investments may decline due to adverse issuer-specific conditions or general market conditions which are not specifically related to a particular company, such as real or perceived adverse geopolitical, regulatory, market, economic or other developments that impact the financial markets generally or specific economic sectors, industries and segments of the financial markets. Changes in the financial condition of a single company can impact the financial markets as a whole, and during a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. The value of the strategy's investments may also decline due to factors that affect a particular industry or industries, such as tariffs, labor shortages or increased production costs and competitive conditions within an industry. Turbulence in financial markets and reduced liquidity in credit, equity and fixed income markets may negatively affect many issuers worldwide and correspondingly the value of the strategy's investments.

Geopolitical and other events, including terrorism, economic uncertainty, regional or global economic instability, trade disputes, pandemics, public health crises, natural disasters, cybersecurity incidents and related events have led, and in the future may continue to lead, to instability in world economies and markets generally and reduced liquidity in equity, credit and fixed income markets. The imposition by the U.S. of tariffs on goods imported from foreign countries and reciprocal tariffs levied on U.S. goods by those countries may also lead to volatility and instability in domestic and foreign markets. Such market disruptions have caused, and may continue to cause, broad changes in market value, negative public perception concerning these developments, a reduction in the willingness and ability of some lenders to extend credit, difficulty for some borrowers in obtaining financing on attractive terms, and adverse sentiment or publicity. Changes in value may be temporary or may last for extended periods.

Policy changes by the U.S. government and/or the U.S. Federal Reserve and/or foreign governments, and political and economic changes within the U.S. and abroad, such as inflation, changes in the U.S. presidential administration and Congress, the U.S. government's inability at times to agree on a long-term budget and deficit reduction plan, the threat or occurrence of a federal government shutdown or the occurrence of failure to increase the federal government's debt limit, which could result in a default on the government's obligations, may cause increased volatility in financial markets, affect investor and consumer confidence and adversely impact the broader financial markets and economy, perhaps suddenly and to a significant degree. The severity or duration of adverse economic conditions may also be affected by policy changes made by governments or quasi-governmental organizations. Global economies and financial markets are becoming increasingly interconnected, which increases the possibility of many markets being affected by events in a single country or events affecting a single or small number of companies.

Both U.S. and international markets have experienced significant volatility in recent years. As a result of such volatility, investment returns and the value of your investment may fluctuate significantly. Deteriorating economic fundamentals may increase the risk of default or solvency of particular companies or issuers, negatively impact market value, increase market volatility, cause credit spreads to widen, reduce bank balance sheets and cause unexpected changes in interest rates. Any of these could cause an increase in market volatility, reduce liquidity across various sectors or markets or decrease confidence in markets. Historical patterns of correlation among asset classes may break down in unanticipated ways during times of high volatility, disrupting investment programs and potentially causing losses.

Some countries, including the U.S., have adopted more protectionist trade policies, including trade tariffs and other trade barriers, which is a trend that appears to be continuing globally. The current political environment has intensified concerns about a global trade war. Slowing global economic growth, the rise in protectionist trade policies, inflationary pressures, changes to some major international trade agreements, risks associated with trade agreements between countries and regions, including the U.S. and other foreign nations, political or economic dysfunction within some countries or regions, including the U.S., and dramatic changes in consumer sentiment and commodity and currency prices could affect the economies and markets of many nations, including the U.S., in ways that cannot necessarily be foreseen at the present time and may create significant market volatility and losses for our investment strategies.

Although interest rates were unusually low in recent years in the U.S. and abroad, in 2022 the U.S. Federal Reserve and certain foreign central banks began to increase interest rates to address rising inflation. The Federal Reserve and certain foreign central banks started to lower interest rates in September 2024, though economic or other factors, such as inflation, could lead to the Federal Reserve stopping or reversing these changes. It is difficult to accurately predict the pace at which interest rates might increase or start decreasing, the timing, frequency or magnitude of any such changes in interest rates, or when such changes might stop or reverse course. Unexpected changes in interest rates could lead to significant market volatility or reduced liquidity in certain sectors of the market. Over the longer term, rising interest rates may present a greater risk than has historically been the case due to the prior period of relatively low rates and the effect of governmental fiscal and monetary policy initiatives and potential reaction to those initiatives, or their alteration or cessation.

Markets and market participants are increasingly reliant upon both publicly available and proprietary information data systems. Data imprecision, software or other technology malfunctions, programming inaccuracies, unauthorized use or access, the execution of ransomware and other cyberattacks and similar circumstances may impair the performance of these systems and may have an adverse impact upon a single issuer, a group of issuers, or the market at large. In certain cases, an exchange or market may close or issue trading halts on either specific securities or even the entire market, which may result in the strategy being, among other things, unable to buy or sell certain securities or accurately price its investments. These fluctuations in securities prices could be a sustained trend or a drastic movement. The financial markets generally move in cycles, with periods of rising prices followed by periods of declining prices.

Tensions, war or open conflict between nations, such as between Russia and Ukraine, in the Middle East or in eastern Asia, or in Venezuela, could affect the economies of many nations, including the United States. The duration of ongoing hostilities in the Middle East and between Russia and Ukraine, and any sanctions and related events cannot be predicted. Those events present material uncertainty and risk with respect to markets globally and the performance of the strategy's investments whether or not the strategy invests in securities of issuers located in or with significant exposure to the countries or regions directly affected.

Regulators in the U.S. have proposed and recently adopted a number of changes to regulations involving the markets and issuers. The full effect of various newly-adopted regulations is not currently known. Due to the broad scope of the regulations being adopted, certain of these changes, which may be revised or rescinded, could limit portfolio companies held by the strategy to pursue their investment strategies or make certain investments or may make it more costly for such portfolio companies to operate.

High public debt in the U.S. and other countries creates ongoing systematic and market risks and policymaking uncertainty. There is no assurance that the U.S. Congress will act to raise the nation's debt ceiling, and a failure to do so could cause market turmoil and substantial investment risks that cannot now be fully predicted. Unexpected political, regulatory and diplomatic events with the U.S. and abroad may affect investor and consumer confidence and may adversely impact financial markets and the broader economy.

Certain illnesses spread rapidly and have the potential to significantly and adversely affect the global economy. The impact of epidemics and/or pandemics that may arise in the future could negatively affect the economies of many nations, individual companies and the global securities and commodity markets, including their liquidity, in ways that cannot necessarily be foreseen at the present time and could last for an extended period of time.

Inflation Risk

Our investment strategies are subject to the risk that equity securities, fixed income securities and other securities may fall in value due to higher actual or anticipated inflation. Higher actual or anticipated inflation may have an adverse effect on corporate profits or consumer spending or the financial markets overall and result in lower values for securities held by the strategy. If a strategy's investments do not keep pace with inflation, the value of investments held by the strategy may decline.

Interest Rate Risk

Changes in interest rates may affect the yield, liquidity and value of investments in income producing or fixed income securities held by the strategy. Market values of fixed income securities held by the strategy are generally inversely related to actual changes in interest rates. Generally, when interest rates rise, the market value of a fixed income security will decrease, and when interest rates decline, the market value of a fixed income security will increase. Generally, a fixed income security with a longer maturity or duration will entail greater interest rate risk, while a fixed income security with a shorter maturity or duration will entail less interest rate risk. Interest rates may change significantly and/or rapidly and are influenced by a number of factors, including government policy, monetary policy, inflation expectations, perceptions of risk, and supply and demand of fixed income securities. Changes in government monetary policy may substantially impact interest rates, but there can be no guarantee that any particular policy will be continued, discontinued or changed, or that it will have the desired effect on interest rates. Short-term and long-term interest rates, and interest rates in different countries, do not necessarily move in the same direction or by the same amount. The yields received by a strategy on its fixed income investments will generally decline as interest rates rise. Additionally, the value of income-oriented equity securities held by the strategy that pay dividends may decline when interest rates rise, as rising interest rates can reduce a company's

profitability and its ability to pay dividends. Interest rates may continue to increase, perhaps significantly and rapidly, which could result in significant losses for investments held by the strategy. During periods of very low or negative interest rates, the strategy may be unable to develop positive returns. Typically, the longer the maturity or duration of a fixed income security, the greater the effect a change in interest rates could have on the security's market value.

Investment Selection Risk

The performance of our investment strategies depends on our ability to select and size investments appropriately and correctly anticipate future price movements, economic and market conditions, and/or the value of equity, fixed income and/or other investments. The value of investments held by the strategy may be adversely impacted by developments affecting the specific issuer of the security or its particular industry or sector. These developments may include a variety of factors, such as poor operating or management performance, geopolitical or regulatory factors, a decline in revenues or profitability, losses of key suppliers, customers or material contracts, a failure to meet earnings or other financial or operating performance expectations, litigation or regulatory issues, bankruptcy, an increase in operating or other costs, defaults under credit arrangements or material contracts, weak demand for the issuer's products or services, financial leverage or credit deterioration, or other events that adversely impact the issuer's business or competitive position. Our failure to correctly anticipate such factors and developments could lead to significant declines in the value of the strategy's investments.

Liquidity Risk

Our investment strategies involve liquidity risks, which means the risk that investments held by the strategy may have limited marketability and may be difficult to sell at favorable times or prices. You could lose money if we are unable to sell an investment at a time that is most beneficial to you. Market developments may cause your investments to become less liquid and subject to volatile price movements. Liquidity risk is particularly acute in the case of foreign securities, securities issued by companies with smaller market capitalizations, or fixed income securities.

Management Risk

Our investment strategies may involve active management of investments in the strategy. The value of investments in the strategy may decline if we fail to correctly identify risks affecting the broad economy or specific markets, sectors, industries or companies in which the strategy invests, or if investments we select for the strategy fail to perform as anticipated.

Municipal Securities Risk

Our investment strategies that involve municipal securities are subject to additional risks. Various factors, such as constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives, and the issuer's regional economic conditions, may adversely affect the municipal security's value, interest payments, repayment of principal and/or the strategy's ability to sell it. Failure of a municipal security issuer to comply with applicable tax requirements may make income paid thereon taxable, resulting in a decline in the security's value. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

Mutual Fund Risk

Our investment strategies that involve investments in mutual funds, which are pooled investment vehicles and may include open-end mutual funds, closed-end mutual funds, or other funds, are subject to additional

risks. To the extent a strategy invests in mutual funds, the strategy will be subject to substantially the same risks as those associated with the direct ownership of the equity securities, fixed income securities and/or other securities held by the mutual fund and the value of the strategy's investment will fluctuate in response to the performance of the mutual fund and its underlying securities. Mutual funds incur their own fees and expenses and, accordingly, a strategy's investments in mutual funds may result in additional expenses associated with the strategy's investment program, including potential duplication of management fees and other expenses. The strategy may not be able to liquidate its holdings in mutual funds at the most optimal time due to various factors, which could adversely affect the strategy's investment program and performance.

Sector Weighting Risk

To the extent our investment strategies emphasize investments in particular sectors of the economy, the strategy will be subject to a greater degree of risks particular to those sectors. Market conditions, interest rates, and geopolitical, economic, regulatory, geopolitical or financial developments could significantly affect companies in particular sectors and the values of their securities. Depending on the weightings of the strategy's investment in particular sectors, the strategy may have increased exposure to price movements of securities in those sectors, which could adversely impact investments in the strategy. The strategy's sector weightings could have an adverse impact on the strategy and lead to a decline in the value of the strategy's investments.

U.S. Government and Government-Sponsored Enterprises Risk

Our investment strategies that involve investments in U.S. government securities or securities issued by U.S. government-sponsored enterprises, such as the Federal Home Loan Bank, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation are subject to additional risks. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only by the applicable entity as to the timely payment of interest and principal when held to maturity. Securities issued by U.S. government-sponsored entities are not guaranteed by the U.S. Treasury and are not backed by the full faith and credit of the U.S. Government, and there is no assurance that the U.S. Government will provide financial support if these organizations do not have the funds to meet future payment obligations. Like all fixed income securities, U.S. government securities and securities issued by U.S. government-sponsored entities are subject to market risk, credit risk and interest rate risk.

Item 9: Disciplinary Information

We are not aware of any matters for which disclosure under this *Item 9 – Disciplinary Information* would be required.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliations

We are not a broker-dealer and none of our management persons is affiliated with a broker-dealer.

Insurance Agency Affiliations

Certain of our management persons and supervised persons also serve in a separate capacity as insurance agents, and in that capacity they can sell you life insurance, annuities, and other insurance products. In these situations, they can receive commissions from insurance companies/carriers for selling their products,

and the commission can vary from carrier to carrier. These agents are also eligible to receive incentives, bonuses and other compensation from insurance companies/carriers based on and related to insurance transactions. These incentives include, without limitation, gifts, meals, entertainment, participation in bonus programs, reimbursement for training, marketing assistance, educational efforts, advertising and travel expenses to conferences and events. This creates potential conflicts of interest because the agents have a financial incentive to recommend, offer and sell insurance products for which they receive insurance-based compensation as compared with investment advisory services or similar services. We do not charge investment advisory fees on insurance products – which are held outside of the advisory relationship – in addition to the compensation the agent earns from the sale of those same insurance products. Further, any compensation received by such agents does not offset any management fees that we charge for our investment advisory services. When acting in their capacity as an insurance agent, these individuals are not subject to the fiduciary standards under the Investment Advisers Act of 1940. You are under no obligation to implement any insurance or annuity transaction through our management persons or supervised persons in their capacity as an insurance agent. Because insurance agents are not subject to the same rules and regulations that apply to their activities in their capacities as our management persons or supervised persons, we do not supervise or conduct oversight of their insurance activities.

Sage Settlement Consulting, LLC

Sage Settlement Consulting, LLC (“Sage”) is a general insurance agency offering comprehensive settlement planning solutions for its clients. Sage is a wholly-owned subsidiary of HFB Holdings, LLC, which is controlled by LKCM Headwater and Mr. Freeman, and is therefore our affiliate. We enter into promoter or other compensatory arrangements with Sage employees and independent contractors from time to time that are our supervised persons, pursuant to which such employees or independent contractors introduce clients to us in exchange for receiving a portion of the management fees that we receive for providing ongoing wealth management or other investment advisory services to those clients. These compensatory arrangements create potential conflicts of interest because Sage employees and independent contractors that are our supervised persons have an incentive to recommend our wealth management and other investment advisory services to their clients. We believe we have implemented policies and procedures designed to mitigate such potential conflicts of interest, including disclosure of such compensatory arrangements in this brochure or other documents that we provide you in connection with the investment advisory relationship. You are not under any obligation to follow any introductions that Sage employees and independent contractors that are our supervised persons provide to you. In addition, these compensatory arrangements will not increase the investment advisory fees that you pay us, as we are responsible for paying those compensatory arrangements to the applicable Sage employees and independent contractors out of our own assets and the management fees that you pay us.

United Settlement Solutions, LLC

United Settlement Solutions, LLC (“USS”) is a firm that provides tax-advantaged, market-based structured settlement options to eligible clients. USS is a wholly-owned subsidiary of HFB Holdings, LLC, which is controlled by LKCM Headwater and Mr. Freeman, and therefore is our affiliate. We may provide wealth management and investment advisory services as part of the programs provided by USS. We face potential conflicts of interest as a result of our affiliation with USS, because we have a financial incentive to make introductions or recommendations to eligible persons regarding USS programs that may increase our assets under management and our management fees. In addition, Sage employees and independent contractors that are our supervised persons have an incentive to recommend USS programs to eligible persons because of their promoter agreements and compensatory arrangements described above.

HFB Holdings, LLC

Our parent company, HFB Holdings, LLC, is controlled by LKCM Headwater and Mr. Freeman. LKCM Headwater is a private investment fund for which Luther King Capital Management Corporation (“LKCM”) serves as investment advisor. LKCM offers investment advisory services to individuals, trusts, estates, charitable organizations, foundations, endowments, pension and profit sharing plans, registered investment companies, including the LKCM Funds, and other private investment partnerships. We may enter into promoter agreements or other compensatory arrangements with LKCM or its affiliates, pursuant to which we may introduce clients to LKCM or its affiliates in exchange for receiving a portion of the management fees or other compensation that LKCM or its affiliates receive for providing ongoing investment advisory or other services to those clients that we refer to LKCM or its affiliates. These promoter or other compensatory arrangements create potential conflicts of interest because we have an incentive to recommend investment advisory or other services provided by LKCM or its affiliates. You are not under any obligation to follow any recommendation that we provide to you with respect to LKCM or its affiliates.

Referring Adviser Services

As described above, we provide referral services to third-party investment managers for our clients and other individuals. Our referring services generally include us or our affiliates introducing our clients or other individuals to third-party investment managers for them to consider in connection with the management of their investments or other assets. We face potential conflicts of interest associated with our referring adviser services, because we receive compensation from third-party investment managers for introducing you to them and we receive such compensation even though we are not responsible for providing ongoing investment advisory services for your account. We also face potential conflicts of interest when we recommend our wealth management and other investment advisory services over those provided through our referring adviser services, because our wealth management services will increase our assets under management and the compensation we receive from clients as compared to those received through our referring adviser services.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a code of ethics and compliance program in accordance with rules adopted by the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Our code of ethics reflects the principle that our employees owe a fiduciary duty of care, loyalty and good faith to our clients. Our code of ethics also provides that our employees must comply with applicable federal securities laws and may not engage in any act, practice or course of conduct that operates as a fraud or deceit upon our clients.

In general, our code of ethics contains policies and procedures that require individuals that we consider to be “access persons,” as that term is defined under rules and regulations adopted under the Investment Advisers Act of 1940, of ours to, among other things, identify their brokerage or securities accounts to us, report their securities transactions and holdings to us on a periodic basis or as more frequently required by the code of ethics, provide us with account statements or other information related to their personal securities transactions, and report any actual or suspected violations of the code to us.

Our supervised persons receive our code of ethics and our compliance program materials upon hire and upon any material change thereto. Our supervised persons must periodically certify and acknowledge that they have received, read and understood, and agree to comply with our code of ethics and our compliance

program materials. Our code of ethics is available to existing and prospective clients upon request. To receive a copy of our code of ethics, please contact our Chief Compliance Officer at (713) 652-8500 or by email at info@shelterwealth.com.

Participation or Interest in Client Transactions

We and our principals, employees or affiliates purchase or sell for our own portfolios the same securities that we purchase or sell for client accounts. We also recommend that our clients purchase or sell the same securities that we and/or our principals, employees or affiliates purchase or sell for our own accounts. We and/or our principals, employees or affiliates purchase or sell securities for our own accounts at the same or different times as client accounts. We and/or our principals, employees or affiliates also purchase or sell securities for our own accounts while selling or purchasing the same securities for client accounts. These practices create potential conflicts of interest because we and/or our principals, employees and affiliates have an incentive to favor our own accounts, or accounts in which we have a direct or indirect financial interest, over other client accounts. Unless otherwise disclosed to a client and in compliance with all applicable federal securities laws, we do not engage in any principal transactions with our clients. We believe that we have implemented policies and procedures that are reasonably designed to mitigate these potential conflicts of interest. For example, our code of ethics contains policies and procedures with respect to the personal securities transactions of our employees.

Item 12: Brokerage Practices

Brokerage Recommendations

To utilize our wealth management services, we generally require that you establish or maintain a brokerage account with Fidelity Institutional Wealth Services and/or its affiliate, National Financial Services LLC (collectively, “Fidelity”) or Charles Schwab & Co., Inc. or its affiliates (“Schwab”). Fidelity and Schwab are independent and unaffiliated registered broker-dealers and will act solely in their broker-dealer capacity and not as an investment adviser to you. Fidelity and Schwab generally will have no discretion over your account and will generally act on instructions it receives from you or us pursuant to the agreements that you enter into with Fidelity or Schwab in establishing your relationship with them.

Fidelity and Schwab provide us access to their institutional trading and custody services, which are typically unavailable to retail investors and which we believe provides benefits to our clients. You will be responsible for the costs, fees and expenses charged by Fidelity, Schwab or any other firm that you select to maintain custody of your assets, and we will not lower our management fees to offset any costs, fees and expenses charged by Fidelity, Schwab or any other firm that you use to maintain custody of your assets.

We receive various products and services from Fidelity and Schwab that assist us in managing and administering our client accounts. These products and services generally include, without limitation, software, technology and other services that:

- Provide us access to client account data (such as trade confirmations and account statements);
- Facilitate trade execution services (and allocation of aggregated trade orders for multiple accounts);
- Provide us research, market information, and other market data;
- Facilitate payment of our management fees from client accounts;
- Assist us with back-office functions, recordkeeping, and client reporting; and
- Provide us access to model portfolios, exchange-traded funds, mutual funds and other investment products sponsored by them.

Many of these services are generally used to service all, or a substantial number, of our client accounts. Fidelity and Schwab may also make other services available to help us manage and further develop our business, including access to educational conferences and events, information technology, consulting, publications and conferences on practice management, regulatory compliance, marketing consulting and support, and assistance with client paperwork and other items related to transitions to us.

Although we believe that our clients benefit from our relationships with Fidelity and Schwab, our general requirement for you to use them as your custodian presents potential conflicts of interest because we benefit from the availability of the foregoing products and services provided by Fidelity and Schwab at no additional cost to us, and not solely based on the nature, cost or quality of custody and brokerage services provided by them.

Directed Brokerage

You should understand that not all investment advisers require their clients to choose a particular broker-dealer or custodian. By generally requiring you to use either Fidelity or Schwab as your custodian, we will also generally require that all transactions for your account be placed through Fidelity or Schwab, as applicable. As a result, we will not be obligated to seek competitive bids from other broker-dealers with respect to transactions for your account, and we will not seek the lowest available transaction costs, fees and expenses for transactions for your account. Accordingly, we may not achieve the most favorable executions of your transactions available under the circumstances. Further, by requiring you to use either Fidelity or Schwab as your custodian, you may incur more costs, fees and expenses than if you used a different broker-dealer or custodian. Our decision to require you to use Fidelity or Schwab as your broker-dealer and that all transactions for your account be placed through Fidelity or Schwab, as applicable, presents potential conflicts of interest because this provides us with compliance and operational efficiencies at no additional cost to us, as well as other benefits and services as further described above.

Research and Other Soft Dollar Benefits

As further described above, we execute trades for your portfolio with custodians, such as Fidelity and Schwab, that provide us with research, brokerage and other services at no out-of-pocket cost to us, and our receipt of the research or brokerage products and services is a factor in our recommendation of custodians and brokers to execute transactions for your portfolio. To the extent that our use of any commissions generated from your securities transactions enables us to acquire research and brokerage products and services, this practice is generally referred to as using “soft dollars.”

The research and brokerage products and services that we may receive may be considered to be both proprietary and third-party in nature. Proprietary research and brokerage products and services are created, developed and provided by the custodian or broker executing the trades for which soft dollars are generated. Third-party research and brokerage products and services are created and developed by a third-party but provided by the broker executing the trades for which soft dollars are generated.

Any use of soft dollars by us presents conflicts of interest. When we use client commissions to acquire research and brokerage products and services, we do not have to produce or pay for the research and brokerage products and services with our own assets. We have an incentive to select, use or recommend a broker based on our interest in receiving research or brokerage products and services, rather than on your interest in receiving most favorable execution. We believe that the research and brokerage products and services provided by the brokers benefit our investment decision-making process and clients. When we use client commissions to obtain research and brokerage products and services, we pay commissions to brokers for your transactions that may be higher than those charged by another broker for the same transactions. The soft dollar credits that we use to purchase eligible research and brokerage products and

services are generally calculated based on the difference between the per share commission rate charged by the executing brokers and the per share execution-only rate charged by the executing brokers.

We generally use research and brokerage products and services acquired with soft dollars to service all of our clients, rather than those whose commissions pay for the products and services. We do not seek to allocate these soft dollar benefits among client portfolios proportionately to the soft dollar credits the portfolios generate because we believe that, in the aggregate, they benefit all clients and assist us in providing investment advisory services to clients. You may benefit from the research and brokerage products and services that we receive even if your portfolio prohibits soft dollar transactions.

Brokerage for Client Referrals

We do not participate in any programs that select or recommend broker-dealers in exchange for referrals or introductions to clients.

Trade Allocation and Aggregation

We manage your account based on your investment objectives, guidelines, restrictions, tax status, risk profile and tolerances, investment time horizons, liquidity requirements and other relevant considerations, which may overlap with those of other clients. Although we generally execute securities transactions on behalf of our clients on a first-in, first-out trade order basis, we generally have authority to aggregate purchase and sale orders for a particular security in your account with orders of other clients. This may enable us to prevent information leakage by directing the entire order to a particular broker, take advantage of the larger order size to interact with larger buyers and sellers, reduce our footprint in the market, negotiate better transaction prices, and/or reduce transaction costs.

We have adopted policies and procedures for aggregating and allocating client securities transactions. If each client participating in an aggregate order receives its full allocation, then each participating client generally receives the average price per share paid or received for the purchased or sold securities with transaction costs shared pro rata among participating clients. If each client participating in an aggregated order receives less than its full allocation, then each participating client generally receives its pro rata share of the executed order with transaction costs shared proportionately. Under certain circumstances, we have discretion to use alternative allocation procedures if we believe all participating clients are treated fairly and equitably. The circumstances under which we may use alternative allocation procedures generally include when:

- a pro rata allocation would result in one or more participating clients receiving an odd lot of securities or less than a minimum number of securities;
- a pro rata allocation would increase transaction costs or otherwise not be cost effective for smaller participating clients;
- a pro rata allocation would be inconsistent with a participating client's investment guidelines, available cash, or liquidity requirements; or
- an alternative allocation is necessary to achieve or restore appropriate weighting in a security for participating clients or to facilitate step-out arrangements.

Trade Errors

We have adopted policies and procedures for correcting trade errors that occur with respect to client accounts. We generally seek to correct trade errors prior to the settlement of the particular trade giving rise to the error without any resulting economic impact to the applicable client. If a trade error occurs that results in a loss for a client account, we will correct the trade error and we or the broker responsible for the trade error will bear the full amount of the loss. If a trade error occurs that results in a gain for a client

account, we will correct the trade error and the gain will be credited to the client account to the extent permitted by the client's custodian and, if not permitted by the client's custodian, any such gain resulting from a trade error is generally donated to a charitable organization as determined by us or the client's custodian. Determining the party responsible for a trade error is not an exact science, and we will generally be involved in determining the party responsible for a trade error. This presents potential conflicts of interest since we have a financial incentive to assign responsibility for trade errors to parties other than us.

Item 13: Review of Accounts

Reviews

Our investment professionals meet periodically to review our investment strategies, general economic and market conditions and developments, as well as company-specific or security-specific issues. Our investment professionals regularly review and monitor client accounts. Client accounts may be reviewed on a more frequent basis depending on a variety of factors, such as changes in market, political or economic conditions, contributions or withdrawals of cash or securities from an account, changes in a client's investment objectives, guidelines or restrictions, or meetings with clients. Our investment professionals seek to meet with clients at least annually or more frequently as requested by our clients. You should promptly notify us if any events have occurred that affect your personal financial situation or otherwise could affect your investment objectives, guidelines or restrictions.

Reports

You should receive brokerage statements no less than quarterly from your custodian. These brokerage statements are sent directly to you by your custodian. You may also establish electronic access to your custodian's website so that you can review these reports and your account activity online or through mobile applications. In addition, we will provide you with periodic reports regarding your accounts. We also provide other reports to clients upon request.

Item 14: Client Referrals and Other Compensation

Referring Adviser Services

We or our supervised persons provide referral services on a non-exclusive basis to third-party investment managers for clients and other individuals. When we provide referral services to third-party investment managers for our clients and other individuals, we enter into a promoter relationship with the third-party investment manager. In these situations, our clients or other individuals will enter into an investment management agreement directly with the third-party investment manager, and we will enter into a promoter agreement directly with the third-party investment manager. The third-party investment management manager retains sole authority and responsibility for providing ongoing investment advisory services to our clients or other individuals, and we are not involved and have no further interaction with the clients or other individuals in an investment advisory capacity. Under our promoter agreements with the third-party investment managers, the third-party investment managers generally pay us compensation based upon a percentage of the management fees the third-party investment managers receive from managing the accounts of such clients or other individuals for as long as they retain their account with the third-party investment managers. In these relationships, you will not be charged extra management fees by the third-party investment manager solely because we referred you to them under our promoter agreement with them. We or the third-party investment managers are responsible for providing you with documentation describing our relationship with the third-party investment manager, the compensation they pay to us, and

any material conflicts of interest associated with the relationship. Our promoter agreements with third-party investment managers create potential conflicts of interest because our compensation will increase to the extent that we retain, add or expand our relationships with clients or other individuals as a result of our promoter agreements with third-party investment managers.

Promoter Arrangements

We enter into promoter agreements with certain individuals or entities, including our supervised persons, that refer clients to us. In these situations, we enter into wealth management agreements with our clients, and we enter into a promoter agreement with the promoter that refers clients to us. Under our promoter agreements with these individuals or entities, including our supervised persons, we pay the promoters ongoing compensation based on a percentage of the assets under management associated with the referred client's account for as long as the referred client maintains their account with us. In these relationships, the referred client will not be charged extra management fees by us solely because the promoter referred the referred client to us under our promoter agreement with the promoter. We and/or the promoter are generally responsible for providing you with documentation describing the promoter arrangement, the compensation we pay to the promoter, and any material conflicts of interest associated with the promoter relationship. Our promoter agreements with promoters create potential conflicts of interest because our compensation will increase to the extent that we retain, add or expand our relationships with clients as a result of our promoter agreements with individuals or entities, including our supervised persons, that refer clients to us.

Item 15: Custody

We do not accept or maintain physical custody of any client accounts or assets or provide custodial services to our clients. In order for us to manage your account, you must establish a custodial account with a qualified custodian, such as a bank, brokerage firm, or trust company. You should receive statements directly from your custodian at least quarterly. We urge you to review your custodial statements carefully and compare them to the information that we provide you. The information in your custodial statements and the information that we provide you may differ based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Your custodial statement is the official record of your portfolio for tax purposes. Please contact us if you do not receive timely account statements from your custodian.

Although we do not have physical custody of assets in your portfolio, we may be deemed to have constructive custody over your portfolio under federal securities laws due to various factors, including, among others, because our wealth management agreement typically permits us to deduct management fees from your account. In this case, we or our service providers generally submit documentation or other information regarding our management fees directly to your custodian, and our management fees should be reflected on the account statements provided by your custodian. In addition, we may have constructive custody of your account if you give us written instructions, standing letters of authorization and/or otherwise authorize us to move assets from your account to another account. We have implemented policies and procedures in an effort to safeguard your assets in situations in which we may be deemed to have constructive custody of your account or assets.

Item 16: Investment Discretion

We provide discretionary wealth management and other services to our clients. This means that our wealth management agreement with you typically authorizes us to make investment decisions for your account without your prior consent or approval, such as determining the securities, investments or models to be

bought, sold or invested in for your account, the broker to be used for such purchases, sales or investments, and the commission rates to be paid to brokers for such purchases, sales or investments.

You may limit our discretionary authority by providing written instructions to us. For example, you may restrict our ability to purchase securities of selected companies on your behalf or you may provide us with socially responsible investment restrictions for your portfolio.

We do not provide legal advice or act on behalf of our clients in connection with any legal proceedings, such as class actions or bankruptcies, involving companies whose securities are held or were previously held in client portfolios. We consider the decision to participate in such actions or matters to be legal matters requiring legal advice and we do not render legal advice to our clients. Although we may assist clients in preparing documentation related to these matters upon request, clients must ultimately determine whether or not to participate in any such legal proceedings.

Item 17: Voting Client Securities

We do not accept responsibility for voting proxies on behalf of our clients. You will receive proxy materials directly from your custodian, and you are solely responsible for proxy decisions and voting with respect to the securities and investments held in your account. Although we may provide assistance to you with respect to proxy matters from time to time upon request, the responsibility for executing any proxy voting decisions remains solely with you unless we otherwise agree in writing.

Item 18: Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We are not aware of any financial conditions that would be reasonably likely to impair our ability to meet our contractual and fiduciary commitments to our clients. We have not been the subject of a bankruptcy petition at any time during the past ten years.