

## Item 1 – Cover Page

Carson Group Investing, LLC  
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Omaha, NE 68154  
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Date of Brochure: August 2021

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The purpose of this brochure is to disclose to you what we do and who we are at Carson Group Investing, LLC. Knowing these elements will allow you to use the services we offer far more effectively. If you have any questions about the contents of this brochure, please do not hesitate to contact us at the telephone number listed above.

Carson Group Investing, LLC is a United States Securities and Exchange Commission (SEC) registered investment advisor. Oral and written communications of an advisor provide you with information about whether you decide to engage an advisor. The advisory services described in this brochure are not insured or otherwise protected by the U.S. Government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other government agency and involves risk, including the possible loss of principal.

The information in this brochure has not been approved or verified by the SEC, or by any state securities authority. Additional information about Carson Group Investing, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view Carson Group Investing, LLC's information on this website by searching for Carson Group Investing. You may also search for information by using Carson Group Investing, LLC's CRD number, 291744.

## Item 2 – Material Changes

Since our annual update was filed in March 2020, the following material changes made to this brochure include:

- In July 2021, Carson Group Holdings, LLC, the firm's parent company, announced that it has received a strategic investment from Bain Capital. Bain Capital, LP is one of the world's leading private multi-asset alternative investment firms that creates lasting impact for their investors, teams, businesses, and the communities in which they live.
- In June 2021, the firm moved to its new location at 14600 Branch St., Omaha, NE 68154.
- In 2020, the firm adjusted its business focus to limit activities to only providing Sub Advisory services to other investment advisory firms. Please refer to **Item 4 – Advisory Business** for more specific information.
- In April 2020 Carson Group Investments parent company entered into a Payroll Protection Plan loan with the Small Business Administration. Please refer to **Item 18 – Financial Information** for more specific information.
- The firm has increased our investment strategy offerings with additional strategies designed to meet the needs of our clients. Please refer to **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss** of our ADV Part 2A Disclosure Brochure for more specific information.

We will continue to ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31, so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes, as necessary.

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## **Item 4 – Advisory Business**

Carson Group Investing, LLC (hereinafter CGI) is a registered investment advisor based in Omaha, Nebraska. The firm was formed in December 2017 as a Limited Liability Company (LLC) under the laws of the State of Nebraska. CGI was approved as a registered investment advisor in July 2018.

The specific level of services you will receive and the fees you will be charged will be specified in the advisory services agreement.

As used in the brochure, the words, “we,” “our,” and “us” refer to CGI and the words “you,” “your,” and “client” refer to either as a client or prospective client of our firm. In addition, you may see the term Supervised Person throughout this brochure. As used in this brochure, our Supervised Persons are our firm’s officers, employees and all individuals providing investment advice on behalf of our firm.

### **Principal Owners**

Carson Group Investing, LLC is an affiliate of Carson Group Holdings, LLC. Carson Group Holdings, LLC. is the 100% owner of CGI. The majority shareholder of Carson Group Holdings, LLC. is Ronald L. Carson.

### **Primary Advisory Services**

CGI offers discretionary investment management services through a sub advisory arrangement with other registered investment adviser firms. CGI creates specialized Model Portfolios with a variety of investment strategies that range from conservative to aggressive and take an active approach to investing in a number of different stock and bond markets.

### **Asset Management Services**

We provide investment management services through specialized Model Portfolios with a variety of investment strategies that range from conservative to aggressive and take an active approach to investing in a number of different stock and bond markets.

We sponsor managed asset programs that are offered on a wrap fee or non-wrap fee basis through our Managed Account Program using accounts established with TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as approved by CGI as the account custodian. Through our managed account programs, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs.

In direct management relationships clients must appoint our firm as your investment advisor of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

Our asset management services are provided on a discretionary basis. CGI is granted this discretionary authority the referring advisor in a Sub-Advisor managed account arrangement. With discretionary authority, we make all decisions to buy, sell or hold securities, cash or other investments in the managed

account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority. Discretionary authority is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian.

In Sub-Advisory account relationships the agreement is between CGI and the referring advisor. All Agreements includes the terms and conditions under which your assets will be managed. The execution of either Agreement authorizes CGI to determine the specific securities, and the amount of securities to be purchased or sold for client accounts on a discretionary basis (without client approval prior to the execution of each transaction). Agreements will remain in effect until terminated by either party in writing according to the terms contained in the Agreement. In the event a conflict exists between the Agreement and our Form ADV, the Form ADV shall prevail. The Agreement will include schedules of the investment accounts CGI has been engaged to manage, the specific fees we propose to charge and how we propose to bill and collect those fees

Advisory accounts will be held primarily by TD Ameritrade Institutional, Fidelity Institutional Wealth Services, Charles Schwab and Co. Or other qualified custodians as approved by CGI (individually, a "Custodian"). The client must designate CGI and/or the introducing advisor as its Investment Advisor on their accounts. The client's qualified Custodian will maintain actual custody of all client funds and securities.

Custodians are also broker/dealers, and they may have different account fees, execution charges and capacities. This may occur because custodial services are based on several factors. Factors may include, but are not limited to cost, expected level of asset safety, client confidentiality, communication and reporting. We base all decisions on the individual investment circumstances of each client. In CGI's non-WRAP, Asset Based Pricing, and/or WRAP Fee Program, you do not have the option to choose a different Custodian other than the one selected by us.

In certain circumstances the account Custodian may offer the option of charging execution fees based upon the level of assets maintained in the managed account (asset-based pricing) versus implementing a fee for each transaction executed. If asset-based pricing is provided as an option, we will conduct a cost/benefit analysis to determine which pricing method would be in the long-term best interest of our clients. Whether transaction-based pricing or asset-based pricing is in the best interest of an individual client may vary over the span of a client relationship in response to possible service provider contractual changes and/or overall market condition adjustments to our pricing structure.

**Sub-Advisory Engagements.** CGI will serve as a sub-advisor to affiliated or unaffiliated registered investment advisors (referring advisor) according to the terms and conditions of a written Sub-Advisor Agreement. With respect to its sub-advisory services, the referring advisor that engage the Firm's sub-advisory services maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for CGI's designated investment strategies and/or programs. In a sub-advisory relationship, the referring adviser is responsible for the recommendation and selection of CGI on behalf of the client and has the ability to remove the client's assets from CGI's management at their discretion. CGI's sub-advisory services can also include acting solely in the capacity of a trade signal provider to assist the introducing advisor with the development and recommendation of appropriate investment opportunities for our Model Portfolios their separately managed client accounts.

### ***Important Disclosure Regarding Fee Based Asset Management Accounts***

When making the determination of whether one of the advisory programs available through CGI is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative.

### **Types of Investments**

We offer advice on a wide range of securities, including, and not limited to:

- Exchange-listed securities
- Securities traded over-the-counter
- Exchange Traded Funds (ETFs)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable Annuities (but not the evaluation of any non-investment management aspects of annuities or other insurance products)
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, and oil and gas interests
- Managed futures
- Shorting
- Private Equity

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

## **Client Assets Managed by CGI**

As of December 31, 2020, CGI Managed \$2,142,104,277 of client assets all on a discretionary basis.

### **Item 5 – Fees and Compensation**

This section provides details about the fees and compensation arrangements of each of our services.

#### **Asset Management Fees**

CGI provides investment management services for an annual fee based upon a percentage of the market value of the aggregate client assets held under management or commonly termed as *household accounts*. The annual investment advisory fee charged by CGI will range up to 1.00% and is negotiable depending on the market value of the account, asset types, complexity of the client portfolio, level of trading activity and other variables. It is important to note that it is possible that different advisory firms may charge different fees for providing the same types and level of service to clients. The fees charged by CGI do not include the fees charged by either the Introducing Advisor or the Referring Advisor. The Introducing or Referring Advisors' fees can range up to a maximum of 1.50% bringing the total advisory fee charged under this program up to a maximum of 2.50% of the assets held in the account.

It is important to note that it is possible that different investment advisor representatives and different firms may charge different fees for providing the same types and level of service to clients. The specific level of services you will receive and the fees you will be charged will be specified in your advisory services agreement. The annual fee is divided and paid quarterly in advance through a direct debit to your account.

We strive to ensure that the combined fees charged by CGI and the affiliated or unaffiliated investment advisers do not exceed industry standards.

CGI is responsible for the fee calculation and requesting the debiting all fees from your accounts held at our approved custodians. You must provide the account custodian with written authorization to debit advisory fees from your accounts and pay the fees to CGI. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter.

In Sub Advisor relationships all fees are paid to CGI which will pay a portion of those fees to the Referring Advisor.

#### **Billing Cycle**

CGI bills the annual advisory fee on a quarterly basis and in advance, at the start of the calendar quarter. Fees are based on the value of the account on the last business day of the previous quarter. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed. In the event that a deposit in excess of \$1,000 occurs during a billing period after the fee calculation, the fee for the billing period will be recalculated at the end of the billing period and CGI will bill Client a second fee pro-rata, in arrears, on the additional deposits. In the event that a withdrawal in excess of \$1,000 occurs during a billing period after the fee calculation, the fee for that billing period will be recalculated at the end



of the billing period and Client will be refunded the pro-rate fee that was attributable to the amount of the withdrawal. You may elect to have the quarterly fee charged to one account, or split between other accounts, or you may elect to pay us by check. We prefer to charge your accounts directly. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee, if deducted from the account.

Fees are based on the account's asset value as of the last business day of the prior calendar quarter. The fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter. The prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed. The Custodian will send client statements at least quarterly, showing all payouts from the account including the advisory fee deducted from the account.

The specifics of the fee billing and distribution processes will be outlined in the agreement executed between CGI and the Referring Adviser.

CGI's fees may be higher or lower than fees charged by other financial professionals offering similar services. CGI reserves the right to modify its fee schedule in the future by providing clients with 30 days advance notice of any modification.

A Sub-Advisory Agreement must be completed to engage in advisory services. All Agreements shall continue in effect until terminated by either party by giving to the other notice in writing at least seven (7) days prior to the date of termination. We will provide a copy of this brochure (Form ADV, Part 2A) to you before or with the execution of the Agreement. If you did not receive this disclosure at least forty-eight (48) hours before executing the Agreement, then you will have five business days subsequent to executing the Agreement to terminate the Agreement without penalty or fees. If services are cancelled after the first five days, then the final fee will be pro-rated. The amount is based on the number of days of service provided during the current quarter. Effective with the date of termination, we shall refrain, without liability or obligation, from taking any further action in your Account(s). In addition, from the date of termination, we will cease to be entitled to receive fees. If a contract is terminated after fees have been collected for a given period, a prorated refund of such fees will promptly be credited to you for that period. This cancellation will be subject to any changes related to the settlement of transactions in progress and the final payment of advisory fees.

### **Third Party Charges**

CGI's asset management fees in a standard (non-wrap fee) managed account do not include the third party custodial or execution charges. Examples of these fees include trading charges for odd-lot differentials and exchange fees, fixed income transactional charges, including mark-ups, mark-downs, commissions and dealer profits. A third-party may also impose charges for special services elected by their clients such as electronic fund wire transfers, certificate delivery, American Depositary Receipt (ADR), and transfer taxes mandated by law. Certain strategies managed by CGI will include transactions in foreign securities. These transactions may be required to be executed on a foreign stock exchange which will result in additional transaction expenses.

For accounts held in CGI's Managed Account Program the annual fee is exclusive of expenses related to the execution of transactions, sub advisor fees and other related cost or expenses. CGI **will not** receive any portion of the transaction or operational fees charged by third parties.

## **Mutual Fund & Exchange Traded Funds (ETFs) Fees**

Each fund describes its fees in detail in its prospectus. The fund's expense ratios typically include the related fees and the fees are paid by the fund's shareholders.

Mutual funds recommended by us may be available directly from the fund company or through another financial service provider. Non-advisory accounts typically have upfront or backend charges. Please refer to each fund's prospectus. We may offer funds or share classes of funds that you may not be qualified to purchase outside of our firm.

If you terminate your account with us, CGI may liquidate or exchange these investments for the share class corresponding to the size of your individual investment in the fund. Dollars received from the redemption of fund shares outside of our management may have tax consequences or additional costs from sales charges and or redemption fees. Such redemption fees would be in addition to our fee. CGI **will not** receive any portion of any redemption fees that may be charged by third parties.

Some or all of the services available through us may be available through other companies at a different cost. Please review the factors that determine the charges and how the services are calculated. Some factors to consider include the size of your account, type(s) of your account(s), transaction charges and the range of advisory services and ancillary charges of each.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

CGI does not charge or receive performance-based fees. Performance-based fees are fees based on a share of capital gains or the capital appreciation of your assets. We do not conduct side-by-side management situations where a combination of asset based and performance fees are collected.

## **Item 7 – Types of Clients**

We offer investment management services through Sub-Advisory arrangements with either affiliated or unaffiliated SEC and state-registered investment advisers to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

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

### **Methods of Analysis**

CGI may use the following methods of analysis in formulating investment advice:

**Charting** - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data

can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

**Fundamental** – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

**Technical** – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Quantitative Analysis** - the use of economic, business or financial analysis that aims to understand or predict the movement potential of investment opportunities through the use of mathematical measurements and calculations, statistical modeling and research. In general terms, quantitative analysis can best be understood as simply a way of measuring or evaluating circumstances through the examination of mathematical values of variables. The primary advantage of quantitative analysis is that it involves studying precise, definitive values that can easily be compared with each other, such as a company's year-over-year revenues or earnings. Common uses of quantitative analysis in investing include the calculation and evaluation of key financial ratios such as the price-earnings ratio (P/E) or earnings per share (EPS). Quantitative analysis ranges from examination of simple statistical data such as revenue, to complex calculations such as discounted cash flow.

There are risks involved in using any analysis method. To conduct analysis, CGI gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Management Strategies**

CGI uses the following investment strategies when managing client assets within our Model Portfolios or separately managed accounts:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Frequent trading - This strategy refers to the practice of selling investments within 30 days of purchase.

Short sales - A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Option writing including cover options or spreading strategies - Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

**Value Investing** - We primarily follow a value-investing strategy that attempts to acquire at reasonable valuations publicly traded businesses that can deliver sustainable excess returns. We focus on a long-only strategy. Long term strategies are designed to identify and select investments to be held for multiple years. We will also invest in value oriented special situations with shorter expected holding periods.

Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and

overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

**Tactical asset allocation.** Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

**Strategic asset allocation.** Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

CGI seeks to create a balance between risk and reward over a given time period by allocating client assets among our proprietary Model Portfolios. This typically involves employing a diverse mixture of securities within the Model Portfolios discussed below. Based on the information provided to by either the introduced client or the Sub-Advisor, CGI considers multiple time horizons (long, medium and short-term) when determining investment strategies. Depending on our clients’ needs, we may engage in a variety of risk management strategies.

In the development and management of our Model Portfolios, CGI’s Investment Committee (Committee) uses industry standard techniques that include technical analysis and fundamental analysis. The Committee may engage various types of execution tactics like long-term buys, short-term buys, shorting stock and option strategies to achieve its objectives. Each model engages in its own type of techniques, execution tactics and use of research tools to enhance the ability to manage its assets effectively to its stated philosophy. Examples of industry research sources and publications used by the firm include Thomson Reuters, Telemet, Orion Advisor Services, Dow Jones News, New York Stock Exchange (NYSE), NASDAQ and AMEX.

### ***Active Management of Strategies***

Our Investment Committee is comprised of our portfolio managers and knowledgeable, experienced investment professionals. The Committee and the portfolio managers actively manage to each model’s investment objective, driven by its investment philosophy and style.

The Committee communicates weekly to evaluate current economic and market conditions, identify evolving trends and gauge inflows and outflows of cash. Based on its analysis and other portfolio related considerations, the Committee or its individual managers direct adjustments as needed.

The Committee continues to examine our clients’ investment needs and monitors and/or develops investment strategies to align with their goals and objectives. To expand and diversify our offerings, the Committee will review and contract with selected sub-advisors. Each sub-advisor presents our clients with a unique strategy and management style

## Strategy Summaries

### **Convex Global Dynamic Risk**

The strategy employs an unconstrained strategy with the ability to invest globally in liquid instruments (equity and fixed income) that seeks opportunistic return to add alpha over a market cycle.

Investment Minimum: \$10,000

Investment Objective: Growth

### **Convex Global Tactical Income**

The strategy seeks positive absolute returns with 3-5% yield and capital preservation in bear markets through a tactical allocation among multiple asset classes.

Investment Minimum: \$10,000

Investment Objective: Growth with Income

### **Convex Dynamic Choice Portfolios - Very Aggressive (DCP-Very Aggressive)**

The strategy is derived of Convex Global Dynamic Risk with 90% investment in growth assets and 10% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Aggressive Growth

### **Convex Dynamic Choice Portfolios - Aggressive (DCP- Aggressive)**

The strategy is derived of Convex Global Dynamic Risk with 80% investment in growth assets and 20% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Growth

### **Convex Dynamic Choice Portfolios - Moderate (DCP- Moderate)**

The strategy is derived of Convex Global Dynamic Risk with 60% investment in growth assets and 40% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Moderate Growth

### **Convex Dynamic Choice Portfolios - Balanced (DCP- Balanced)**

The strategy is derived of Convex Global Dynamic Risk with 50% investment in growth assets and 50% investment in diversifying assets under normal market conditions.

Investment Minimum: \$10,000

Investment Objective: Modest Growth with Capital Preservation

### **Convex Dynamic Choice Portfolios - Conservative (DCP- Conservative)**

The strategy is derived of Convex Global Dynamic Risk with 30% investment in growth assets and 70% investment in diversifying assets, including 5% in cash and cash equivalents.

Investment Minimum: \$10,000

Investment Objective: Limited Growth with Capital Preservation

### **Convex Dynamic Choice Portfolios – Preservation (DCP- Preservation)**

The strategy is derived of Convex Global Dynamic Risk with 2% investment in growth assets and 98% investment in diversifying assets, including 8% in cash and cash equivalents under normal market conditions

Investment Minimum: \$10,000

Investment Objective: Capital Preservation

### **Mission Opportunity**

The Mission Opportunity strategy seeks long-term capital appreciation with opportunistic investments in a concentrated portfolio of high-conviction stocks based on fundamental research and valuation measures.

- The strategy is based on investment philosophy that growth in earnings and cash flows drive share prices over the long term, that excess returns are generated by investing in market-leading companies that create economic value through long-duration competitive advantages
- The strategy can be used as an opportunistic investment to seek long-term growth
- The portfolio is non-diversified, which means that it may invest a relatively high percentage of its assets in a limited number of issuers, when compared to a diversified strategy. The strategy holds a concentrated portfolio of investments, typically investing in 15 to 35 companies with market capitalizations generally greater than \$10 billion (at cost).

Investment Minimum: \$50,000

Investment Objective: Long-term growth

### **QBI Low-Vol Global Large-Cap Strategy**

The QBI Low-Vol Global Large-Cap strategy is comprised of approximately 50 equally weighted stocks from high quality businesses across the globe that display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The strategy focuses on large-cap companies and will maintain a minimum of 65% in US stocks and no more than 10% combined exposure to any foreign country. The goal of the QBI Low-Vol Global Large-Cap strategy is to offer exposure to global securities with lower volatility than the MSCI All-Country World Index (ACWI).

Investment Minimum: \$25,000

Investment Objective: Growth

### **QBI Low-Vol US Large-Cap Strategy**

The QBI Low-Vol US Large-Cap strategy is comprised of approximately 50 equally weighted large-cap stocks from high quality businesses exclusively headquartered in the United States. These target



companies display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The goal of the QBI Low-Vol US Large-Cap strategy is to offer exposure to domestic securities with significantly lower volatility than the S&P 500 Total Return.

Investment Minimum: \$25,000

Investment Objective: Growth

### **QBI Low Volatility US Small Cap**

The QBI Low Volatility US Small Cap strategy is comprised of approximately 50 equally weighted stocks from high quality businesses that display low volatility characteristics but also have attractive valuations, financial strength and positive momentum. The goal of the QBI Low Volatility US Small Cap strategy is to offer exposure to securities of companies headquartered in the United States with lower volatility than the Russell 2000 Value (TR) Index.

Investment Minimum: \$25,000

Investment Objective: Aggressive Growth

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Equity (stock) market risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock



equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- **ETF and Mutual Fund Risk:** When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** The possibility that shareholders will lose money when they invest in a company that has debt if the company's cash flow proves inadequate to meet its financial obligations. When a company uses debt financing, its creditors will be repaid before its shareholders if the company becomes insolvent. Financial risk also refers to the possibility of a corporation or government defaulting on its bonds, which would cause those bondholders to lose money.
- **Management Risk:** Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- **Margin Risk:** If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.

- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of CGI's business or the integrity of CGI's management.

### **Item 10 – Other Financial Industry Activities and Affiliations**

CGI is **not** and does **not** have a related person that is a municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

#### **Registered Representative of a Broker/Dealer**

Some of CGI's representatives are also registered representatives of Cetera Advisor Networks, LLC, a securities broker/dealer. You may work with your investment advisor representative in his or her separate capacity as a registered representative of Cetera Advisor Networks, LLC. When acting in his or her separate capacity as a registered representative, your investment advisor representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds and variable annuity and variable life products to you. As such, your investment advisor representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment advisor representative will receive a commission in his or her separate capacity as a registered representative of a securities broker/dealer. Consequently, the objectivity of the advice rendered to you could be biased.

As a result of some of our representative's relationship with Cetera Advisor Networks, Cetera may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about CGI's clients, even for clients that may not establish any account through Cetera. If you would like a copy of the Cetera Advisor Networks privacy policy, please contact CGI at the address referenced on Page 1.

You are under no obligation to use the services of our representatives in this separate capacity or to use Cetera Advisor Networks, LLC and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use Cetera Advisor Networks, LLC. Prior to effecting any such transactions, you are required to enter into a new account agreement with Cetera Advisor Networks, LLC. The commissions charged by Cetera Advisor Networks, LLC may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12(b)-1 fees (trailing commissions) for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment. CGI and our investment advisor representative will not receive any portion of the 12(b)-1 fees for mutual fund investments held in managed accounts.

#### **Affiliation with CWM, LLC.**

CGI is under common ownership with CWM, LLC, an investment advisory firm registered with the U.S. Securities and Exchange Commission. CWM, LLC provides asset management, financial planning and financial consulting services to retail clients. CGI and CWM will share office space and operational personnel.

#### **Affiliation with Carson Group Brokerage, LLC**

CGI is under common ownership with Carson Group Brokerage, LLC (CGB) a registered broker dealer in 2019 and a member of FINRA. CGB will not provide any custodial or transaction based services to clients and only will receive commission override payments from our non-affiliated broker dealer, Cetera Advisor Networks, LLC (Cetera), where advisors of CGI are registered and introduce commission based business through Cetera. CGI and CGB will share office space and operational personnel.

#### **Dually Registered as an Investment Adviser Representative**

The representatives of CGI are also licensed as investment adviser representatives with CWM, LLC. CGI and CWM, LLC are affiliated companies. Through CWM, LLC, the representatives provide asset management services as well as referrals to sub-advisors. They earn advisory fees when providing these services through CWM, LLC. Therefore, you could receive advisory services from one individual acting as an investment adviser representative on behalf of two separate registered investment advisors. If the representatives of CGI provide asset management or referral services to you, you will be given the disclosure brochure of CWM, LLC describing the services provided, fees charged and other information. You are encouraged to read and review the disclosure brochures for both CGI and CWM, LLC and direct questions to your representative.

## **Insurance Agent**

You may also work with your investment advisor representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment advisor representative may sell, for commissions, general disability insurance, life insurance, annuities and other insurance products to you. As such, your investment advisor representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of CGI by purchasing disability insurance, life insurance, annuities or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment advisor representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment advisor representative.

## **Affiliation with Carson Group Coaching**

Carson Group Coaching (CGC) and CGI are under the common ownership of Ron Carson. CGC provides coaching, consulting, training and software services to financial advisors. Carson Group Coaching's focus is on client service and new business growth solutions. CGC is not a registered investment advisor or broker/dealer. CGC offers services to individuals that work within the financial services industry. Carson Group Coaching has an insurance agency through which CGI advisors offer life insurance, LTC and other insurance products.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### ***Code of Ethics Summary***

Our Code of Ethics includes guidelines for professional standards of conduct for our Supervised Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with you. All of our Supervised Persons are expected to understand and strictly follow these guidelines.

Our Code of Ethics also requires that our Supervised Persons submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### ***Affiliate and Employee Personal Securities Transactions Disclosure***

Our firm or persons associated with our firm may buy or sell securities or hold a position identical to clients. It is our policy that no Supervised Person will put his/her interests before a client's interest. Supervised Persons may not trade ahead of any client and cannot trade for a better price than the price a client would obtain. It is the Supervised Person's responsibility to know which securities we are trading.

Supervised Persons are required to consult with the Compliance Department to determine whether a security is an acceptable purchase or sale. We prohibit all Supervised Persons from trading on non-public information and from sharing such information. Supervised Persons may not invest in an initial public offering (IPO) for their own accounts or those of related household members. Supervised Persons are required to obtain approval from the Compliance Department prior to investing in a private placement or other limited offerings. We do not allow “short-swing” trading or market timing. Short-Swing trading, better known as the Short-Swing Profit rule, requires company insiders to return any profits made from the purchase and sale of company stock if both transactions occur within a six-month period. A company insider, as determined by the rule, is any officer, director or holder of more than 10% of the company's shares.

### **Reporting Requirements**

Every Supervised Person who has access to client accounts must submit a report of all personal securities holdings at the time of affiliation with us and annually thereafter. Such reports must contain current information (not older than 45 days). Holding reports must contain the following information:

- The title and type of security;
- The security symbol or CUSIP number;
- The number of shares and the principal amount of each reportable security;
- The name of any broker, dealer, or bank with which the Supervised Person maintains an account;
- The date the report was submitted.

## **Item 12 – Brokerage Practices**

### **Asset Management Services**

You are under no obligation to act on the recommendations of CGI. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

CGI recommends that managed accounts be established with TD Ameritrade Institutional, Fidelity Institutional Wealth Services, Charles Schwab and Co., and other qualified custodians as approved by CGI through their Institutional Platforms (collectively referred to as Qualified Custodians). TD Ameritrade Institutional is a division of TD Ameritrade Inc. TD Ameritrade, Fidelity Institutional and our other custodians are members of FINRA/SIPC and are independent (and unaffiliated) SEC-registered broker/dealers and are recommended by CGI to maintain custody of clients' assets and to effect trades for their accounts.

Advisor participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through participation in the Program. (Please see the disclosure under Item 14. below.)

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used broker/dealer qualified custodians. We evaluate such criteria as expertise, cost competitiveness

and financial condition. We will review quality of execution for custodians through trade journal evaluations and broker/dealer reports.

CGI is independently owned and operated and not affiliated with any broker dealer or other Qualified Custodian. The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by CGI must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services and statement preparation are some of the other factors determined when suggesting a broker/dealer.

The Qualified Custodians provide us with access to their institutional trade execution, clearance and settlement service and custody services which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian. The Qualified Custodians do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account. These benefits include, but are not necessarily limited to: receipt of duplicate confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

The Qualified Custodians also make available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. CGI is also providing other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with Cetera Advisor Networks, LLC. Cetera may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians as



approved by CGI, economic benefits may be provided to us by these custodians that are not provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction execution
- A dedicated trade desk
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Financial Support for Data Aggregation and Performance Reporting systems
- Duplicate and batched client statements, confirmations and year-end reports
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to CGI by third party vendors.

TD Ameritrade Institutional, Fidelity Institutional Wealth Services and other qualified custodians will also help pay for business consulting and professional services received by Advisor's related persons. These products or services may assist CWM in managing and administering Client accounts, including accounts not maintained at one of the other custodians. Other services made available by our Qualified Custodians are intended to help CWM manage and further develop its business enterprise. The benefits received by CWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to a particular custodian. As part of its fiduciary duties to clients, CWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CWM or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of a qualified custodian for custody and brokerage services. (Please refer to **Item 14 – Additional Compensation** for more information).

Please also see *Item 5, Fees and Compensation*, for additional information about advisory services and implementing recommendations.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, CGI may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, CGI has decided to require our clients to use broker/dealers and other qualified custodians determined by CGI.

### **Soft Dollar Benefits**

An investment advisor receives soft dollar benefits from a broker/dealer when the investment advisor receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker/dealer.

We do not have soft-dollar agreements with any broker/dealers and have not received any such benefits; however, Cetera has provided compensation to the firm in the form of transition assistance for assets brought on to the Carson Group Coaching program (Please refer to **Item 14 – Additional Compensation** for more information).

## **Investment Allocation and Trade Aggregation Policy**

Our allocation and aggregation process requires fair and equitable treatment of all orders. When mutual funds are traded, there is no value to aggregation as each trade receives the same price. To the extent other securities are purchased or sold that lend themselves to aggregation or block trading (for example, stocks or exchange traded funds); we may aggregate client transactions or allocate orders whenever possible. The aggregation of orders provides the effects of lower transaction per share costs. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our principals and/or Supervised Persons may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, and Incorporated*. We shall not receive any additional compensation or remuneration as a result of the aggregation.

We use model strategies in the management of our separate accounts. Our trading department prioritizes the release of trading orders with respect to its advised separate accounts as follows:

- Discretionary accounts with no restrictions that require manual trade adjustments such as deviations from the model for cash requirements or that hold non-model securities, etc.;
- Accounts with restrictions that require manual intervention to process trades;
- Non-discretionary accounts that require pre-approval of trades.

Due to the sequence of placing trades for accounts, it is possible that accounts traded first will receive more favorable pricing than those traded last.

In order to achieve the best execution price and not cause a significant market change certain transactions in thinly traded equity securities may be required to be broken out into multiple transactions over a series on trading days. While this practice will typically result in a better execution price this practice will result in multiple transaction charges in your account.

We provide investment management services to our clients. We provide non-discretionary investment research and market analysis to third-party investment professionals such as advisors and brokers.

## **Cross Transactions**

A cross trade is a transaction between two accounts managed by the same investment advisor. We recognize the potential for significant conflicts of interest when performing internal cross transactions in client accounts; therefore, the general policy is to not perform internal cross transactions. However, if we deem it to be in the best interest of certain clients, we may perform an internal cross transaction. Generally, this type of transaction will only occur in very limited circumstances. Prior to executing such a transaction, the trader will obtain prior written approval from the CCO.

## **Transaction Allocation**

CGI investment models may receive allocations of securities or investments different from other investment models. Through the allocation process, CGI bases these allocations on a number of factors including, but not limited to, the trade rotation policy, previous transactions, model restrictions, the model risk profile, available cash and liquidity. We will seek to be consistent in our investment approach for all investment models with similar investment objectives, strategies and restrictions. However, the act of purchasing, selling or holding a security for one investment model does not mean that we will do the same for other models.



## **Trading Errors**

Even with our best efforts and controls, trade errors can happen. All trade errors will be brought to the attention of the Head Trader and the CCO immediately upon discovery. We will work to formulate the best resolution for the client. In the event of a trade error, we will work with the intent to make the client whole. Ideally, when possible, trade errors will be moved from the client's account to either our trade error account with the broker/dealer that executed the trade or that broker/dealer's trade error account, depending upon which party is responsible for the error. In cases in which we are responsible for the error, all losses will be paid by us and all gains will be retained by the custodian. In cases in which the broker/dealer is responsible for the error, we will follow the procedures of the broker/dealer with respect to any gains or losses in the trade error account. Please be advised that any trade errors that result from inaccurate instructions provided by the client remain the financial responsibility of the client.

## **Item 13 – Review of Accounts**

### ***Sub-Advisory Services***

The underlying securities within each Model Portfolio are continuously monitored by the CGI Investment Committee and/or the Portfolio Manager assigned to each Model Portfolio. Sub-advisory clients should contact their primary adviser for information on account reviews conducted by the primary adviser.

### ***Statements and Reports***

The primary adviser will receive reports from CGI as agreed upon in the Sub-Advisory Agreement. Sub-advisory clients should contact their primary adviser for information on reports provided by the primary adviser.

Clients will receive account statements no less than quarterly from the qualified custodian. We encourage you to compare all reports generated by GCI or the Primary Adviser to the account statement information you receive from your qualified custodian. The custodians' statements serve as the permanent record of your account(s).

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

Advisory firms may compensate us for referral activities. These fees may come in the form of marketing or referral fees paid directly to us by the firm. The exact compensation arrangement will vary depending on the advisory firm and factors associated with the referral. Fees are typically based on a portion of the management fees charged by advisory firm to clients of financial professionals we originally introduced to the advisory firm. In all cases, CGI will comply with the cash solicitation rules established by the SEC, state regulators and the client disclosure requirements.

When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor's Disclosure Statement document. If the referring party is an unaffiliated registered investment advisor firm, then the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

## **Additional Compensation**

Supervised Persons, if properly registered and licensed to do so, can also receive compensation on non-advisory business (i.e., brokerage commissions) related to the sale of securities or other investment products as insurance. Transaction-based compensation such as this is separate and distinct from the other fees we will receive in connection with our investment advisory services.

Commissions from the sale of other non-advisory investment products include, but are not limited to, variable annuities, mutual funds, private placements and such non-investment related products as life insurance. Such commissions provide an advisor with an incentive to recommend these investment products based on the compensation they will receive from selling such products. This may be considered a conflict of interest; however, we do not allow advisors to earn commissions on products that are included within our advisory accounts.

## ***Custodian Operational Support***

CGI and our affiliated companies also receive additional economic benefits (“Additional Services”) from TD Ameritrade based on the fact that they have agreed to provide financial support to CGI and/or our affiliated firms to assist in paying for the firm’s Contact Management and Data Aggregation and Performance Reporting system(s) provided by unaffiliated service providers. Specifically, the Additional Services include Orion Advisor Services & Salesforce. Prior custodians have also provided additional financial support to enable CGI to independently verify the accuracy of the firm’s performance calculations. These payments create an incentive for CGI to retain client assets with the participating custodians and therefore a conflict of interest is created. CGI understand and accepts that these payments are a conflict of interest and takes steps to make sure that it does not affect our decisions in relation to our client’s accounts.

As stated above, CGI’s and our affiliated firms receipt of these additional services raises a conflict of interest. In providing additional services to CGI, the participating custodian most likely consider the amount and profitability created by the amount of client assets held, and trades placed for, CGI’s client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with CGI, in their sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the additional services from the custodian, CGI has an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with those firms and to place transactions for client accounts with the selected custodian. CGI’s receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement (“Additional Services Addendum”) to govern the terms of the provision of the Additional Services.

## ***Custodian Additional Compensation***

As disclosed under Item 12 above, CGI participates in TD Ameritrade’s institutional customer program and CGI may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between CGI’s participation in the program and the investment advice it gives to its Clients, although CGI receives economic benefits through its participation in the program that are typically not

available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving CGI participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CGI by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by CGI's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit CGI but may not benefit its Client accounts. These products or services may assist CGI in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CGI manage and further develop its business enterprise. The benefits received by CGI or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CGI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CGI or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the CGI's choice of TD Ameritrade for custody and brokerage services.

CGI also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment CGI's participating in the program. TD Ameritrade provides the Additional Services to CGI in its sole discretion and at its own expense, and CGI does not pay any fees to TD Ameritrade for the Additional Services. CGI and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

CGI's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to CGI, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, CGI's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with CGI, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, CGI may have an incentive to recommend to its Clients that the assets under management by CGI be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. CGI's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

### **Subadvisor Compensation**

CGI may enter into agreements with unaffiliated registered investment advisory firms (Subadvisors) to provide additional compensation intended to support CGI's marketing efforts, including services for identifying prospective advisors and clients. These payments can take the form of a mutually agreed upon fixed fee payment(s) or ongoing payments of an agreed upon percentage based upon the assets placed under management with the unaffiliated investment advisory firms.

The Subadvisors may also enter into arrangements with Carson Group Coaching (CGC) to provide financial support to act as a sponsor of CGC events (i.e., workshops, seminars, etc.). These unaffiliated advisory firms may market their advisory services at Peak events.

These payments create an incentive for CGI to place client assets with the unaffiliated investment advisory firms providing the additional support are therefore a conflict of interest. CGI is sensitive to this conflict of interest and takes steps to make sure that it does not affect our decisions in relation to our investment models.

### **Expense Reimbursements**

We can from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors will underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for which sales have been made or for which it is anticipated sales be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Conflicts of Interest in General**

The potential for additional compensation can give our Supervised Persons an incentive to recommend investment products based on the additional compensation received. Our objective, as a firm, is to always place the clients' best interests first.

The conflicts inherent to advisors or the firm receiving added compensation are disclosed to you in this brochure. Your Referring Advisor also provides you with this information in their advisory brochure. CGI has implemented supervisory controls for acknowledgement and oversight of existing or potential conflict concerns or issues. Our Chief Compliance Officer is responsible for the administration of the supervisory process and our Written Supervisory Procedures (WSP).

### **Item 15 – Custody**

CGI does not have physical or electronic custody of your funds or securities. Your account assets will be held with a bank, broker/dealer, or another independent qualified custodian. You will receive account statements directly from the custodian(s) holding your account assets no less than quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy and contact your advisor with any questions you may have. Please note that the custodians' account statement serves as your permanent record of your assets held with each custodian.

### **Item 16 – Investment Discretion**

CGI's Sub-Advisory Agreements grant us the authority to decide what securities are bought or sold in managed account(s) and the authority to implement those decisions without being required to obtain the client's prior approval.

### **Item 17 – Voting Client Securities**

You are responsible for exercising your right to vote proxies for any and all securities maintained in your accounts unless you hold an ERISA account with us. ERISA accounts do require our proxy vote. We do not provide advice on proxy materials on behalf of your non-ERISA advisory accounts.

### ***Class Action Suits***

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients.

With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. CGI does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. CGI is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments. Finally, CGI has not been the subject of a bankruptcy petition at any time.

Carson Group Holdings, LLC, the parent company of Carson Group Investing, LLC, received a Paycheck Protection Plan ("PPP") Loan through the Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic. As described in the program requirements, the loan provided to Carson Group Holdings, LLC is to be used to support the firm's payroll expenses and other expense items as allowed under the program which based on the parameters of the loan will then result in the loan being forgiven without a requirement for the firm to make any repayment. If the PPP loan proceeds are used in any manner other than allowed under the program, then the loan will convert to a standard loan which will require the firm to repay the loan proceeds in accordance with the firm's agreement with the lending financial institution. The firm has not suffered any interruption of service.

## **Privacy Policy – Our Commitment to You**

We treat your non-public personal financial information with confidentiality and respect. Our Privacy Policy defines the trust, privacy, and confidentiality we have with our clients. Our Privacy Policy is reasonably designed to:

1. Ensure the security and confidentiality of your records and information;
2. Protect against anticipated threats or hazards to the security or integrity of your records and information; and,
3. Protect against unauthorized access to or use of your records or information that could result in substantial harm or inconvenience to you.

### ***Information We Collect About You***

You typically provide personal information when you open an account with us. This information includes financial and tax identification information, to comply with U.S. government laws and rules, as well as rules imposed by regulatory organizations and jurisdictions. We request personal information from new customers as well as from customers who have had long-standing relationships with us. Your advisor must have a reasonable basis for believing that the recommendation is suitable for you. In making this assessment, your advisor must consider your risk tolerance, other security holdings, financial situation (income and net worth), financial needs and investment objectives.

### **Responsibility to Protect Non-Public Personal Information**

Our Supervised Persons are accountable for protecting confidential client information in which they have access. We restrict access to your non-public personal information to those persons on a need to know basis.

Non-public personal information includes all information you provide to obtain a financial product or service. It also includes information resulting from any transaction or information otherwise obtained in providing a financial product or services. In addition, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

### **Privacy on the Internet**

We are committed to preserving your privacy on the Internet. If you contact us via email, we will use email information only for the specific purpose of responding to requests or comments. We prohibit the sale of email addresses. Only when required by law will we share email addresses and information.

### **Sharing Information**

We do not sell lists of client information. We do not disclose client information to marketing companies unless we hire them to provide specific services as listed below. We do not disclose any non-public personal information except as provided by law. We may share non-public personal information with our affiliates while processing transactions, managing accounts on your behalf, or to inform you of products or services that we believe may be of interest to you. Additionally, we may share non-public personal information with the following types of third parties: (a) our financial service providers, such as custodians, transfer agents and third-party money managers; (b) non-financial companies under servicing or joint marketing agreements, such as printing firms, mailing firms, or providing service firms data transfer information for the purpose of aggregation, or performance reports; (c) With broker-dealer firms having regulatory requirements to supervise certain aspects of CGI's activities.

These third parties are bound by law or by contract to use your information only for the services for which we hired them and are not permitted to use or share this information for any other purpose.

Your non-public personal information may also be disclosed to persons we believe to be your authorized agent or representative. We are also required to disclose your information to various regulatory agencies in order to satisfy our regulatory obligations and as otherwise required or permitted by law. In addition, we will disclose client information to third-party litigants when we are required to do so by lawful judicial process or by court order. We may also disclose your confidential information in response to a request from a government authority that has jurisdiction over our affairs.

**Former Customers**

We do not disclose any non-public personal information about our former clients to anyone, except as required by law.

**Keeping You Informed**

We will send you a copy of our Privacy Policy annually for as long as you maintain a relationship with us. We will provide you with a revised policy if we make any material changes. We will not change the policy to permit the sharing of non-public personal information other than that provided in this notice unless we first notify you and allow you the opportunity to “opt out” or prevent information sharing.

FACTS	WHAT DOES CGI, LLC DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>• Social Security number and employment information</li> <li>• account balances and account transactions</li> <li>• transaction history and wire transfer instructions</li> </ul> When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers ' personal information; the reasons CGI, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does CGI, LLC share?	Can you limit this sharing?
<b>For our everyday business purposes –</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations or report to credit bureaus	Yes	No



<b>For our marketing purposes –</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates’ everyday business purposes –</b> information about your transactions and experiences	Yes	No
<b>For our affiliates’ everyday business purposes –</b> information about your creditworthiness	No	We do not share
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For non-affiliates to market to you</b> If your advisor terminates his or her relationship with us and moves to another investment advisory firm, we or your advisor may disclose your personal information to the new firm.	Yes	Yes
<b>To Limit Our Sharing</b>	<p>If you would like to limit the information your advisor could share if he or she were to terminate with us and move to another investment advisory firm, please return the Privacy Opt-Out form attached to this notice.</p> <p>If you are a new customer, we can begin sharing your information 30 days from the date you receive this notice. When you are no longer a customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit sharing.</p>	
<b>Who We Are</b>		
Who is providing this notice?	CGI, LLC	
<b>What We Do</b>		
<b>How does CGI, LLC protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.	
<b>How does CGI, LLC collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ open an account</li> <li>▪ provide account information</li> <li>▪ give us your contact information</li> <li>▪ enter into an investment advisory contract</li> <li>▪ tell us about your investments or retirement portfolio</li> <li>▪ seek advice about your investments</li> </ul>	
<b>Why can’t I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates’ everyday business purposes – information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>	



<b>Definitions</b>	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <i>Our affiliates include companies with a Carson name; and financial companies such as Carson Group Investing, LLC and Carson Group Brokerage, LLC.</i>
<b>Non-Affiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <i>Non-affiliates we may share your information with include your advisor's new investment advisory firm and may also include financial institutions such as a broker dealer.</i>
<b>Joint Marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <i>Our joint marketing partners include financial institutions such as a broker dealer.</i>
<b>Other Important Information</b>	
Accounts with a California, Vermont, Massachusetts, or North Dakota mailing address are automatically treated as if they have opted-out of our sharing as described in this notice.	
<b>Questions?</b>	If you have any questions about our privacy policy or about how to limit our sharing, please call (888) 321-0808 or visit <a href="http://www.carsonwealth.com">www.carsonwealth.com</a>

## Privacy Opt-Out Form

If you would like to limit the personal information that your financial advisor could disclose or take if he or she moved to another investment advisory firm and terminated their relationship with CGI, LLC, please complete and mail the following form to:

Carson Partners Operations  
13321 California St., Suite 100  
Omaha, NE 68154

OR email a scanned copy of your form to [privacy@carsongroup.com](mailto:privacy@carsongroup.com)

You can withdraw your opt-out choice at any time by contacting us in writing at the address or email address provided above.

If your primary address is in a state that requires your affirmative consent to share your personal information with a new firm, then you must give your written consent before we will allow your financial advisor to take any of your personal information to that new firm.

By completing and returning this form as described, I am instructing CGI, LLC to limit the personal information about me that my financial advisor could disclose or take if he or she moves to another investment advisory firm and terminates their relationship with CGI, LLC.

Please note that for accounts held jointly by two or more persons, the privacy choices made by any account holder apply to all joint holders with respect to the account. In order for your opt-out election to be effective, you must complete ALL of the following information:

Name (please print clearly): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Name of CGI, LLC Financial Advisor: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_