

# F/M INVESTMENTS LLC

## FORM CRS – CLIENT RELATIONSHIP SUMMARY

March 31, 2025

F/m Investments LLC (“F/m” or “Firm”) is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker dealers, investment advisers, and investing.

### What investment services and advice can you provide me?

We provide investment management services on a discretionary and non-discretionary basis to retail clients, typically bundled together for a **single ongoing asset-based fee based upon the value of cash and investments in the advisory account**. We will sit down with you to discuss your concerns and objectives and walk you through our investment process and philosophy. We will examine your current financial situation, and then work with you to identify an appropriate investment strategy, considered in the context of your overall financial plan, investment objectives, and risk tolerance. Based upon these conversations, we will select an appropriate asset allocation based upon your unique objectives, goals, and risk tolerance. If we manage your account(s) on a discretionary basis, we may manage your account without your prior approval prior to each transaction. However, you may limit our discretionary authority by providing our Firm with your restrictions and guidelines in writing.

Our investment management program provides **discretionary** account management by our Firm’s Portfolio Managers, who are responsible for ensuring that your account is managed according to your investment objective and risk tolerance. Reasonable restrictions on the management of your account(s) may be imposed on our Firm. We may also provide **non-discretionary** account management, by which we require your consent prior to executing transactions on your behalf.

Some of F/m’s strategies are available to clients of other investment advisory firms through Wrap Programs. In this instance, we do not work directly with the individual client to determine if the model strategy meets that client’s investment objectives or risks. In these instances, F/m provides other advisory firms with the trades and allocations of the model strategies, and it is up to the discretion of the advisory firms to execute and implement any transaction in client accounts.

For separately managed accounts, our investment minimum account size varies with the strategy but may start at \$50,000. For wrap program accounts, our minimum investments range from \$25,000 to \$100,000 depending on the wrap sponsor program. We may waive account minimums at our sole discretion.

**For additional information, please see F/m’s Form ADV Part 2A, Item 4 available at <https://adviserinfo.sec.gov/firm/summary/304405>**

### **Conversation Starters.** Ask your financial professional –

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### What fees will I pay?

You will be charged an **ongoing management fee** based on the assets under management in accordance with the fee schedule contained in your agreement. Fees are charged as specified in the investment management agreements executed with clients. The more assets you invest in your account, the more you will pay in fees, and we therefore have an incentive to encourage you to increase your advisory account assets. The Firm’s current fee schedules are described in Item 5 of F/m’s Form ADV Part 2A.

In addition to the fee(s) above, you will be responsible for certain charges imposed by the custodian and/or broker, including transaction fees, custodian fees (e.g., wire fees), and internal fees related to mutual funds.

***You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.***

**For additional information, please see F/m's Form ADV Part 2A, Items 5 and 7 available at <https://adviserinfo.sec.gov/firm/summary/304405>**

**Conversation Starters.** Ask your financial professional –

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- Our Firm has an inherent conflict of interest in recommending you rollover or transfer your accounts to an account managed by F/m since we have an incentive to generate compensation for the Firm.
- When we invest your assets in shares of affiliated mutual funds we advise or sub-advise, we do not charge an investment management fee. Instead, we exclude those mutual fund assets when we calculate the investment management fees charged to you.

**For additional information, please see F/m's Form ADV Part 2A, Item 10 available at <https://adviserinfo.sec.gov/firm/summary/304405>.**

**Conversation Starters.** Ask your financial professional –

- How might your conflicts of interest affect me, and how will you address them?

**How do your financial professionals make money?**

Our financial professionals are paid a salary plus discretionary bonuses based on company, team, and individual performance. This includes metrics like client retention, referrals and revenue the Firm earns from the financial professional's advisory services or recommendations.

**Do you or your financial professionals have legal or disciplinary history?**

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starters.** Ask your financial professional –

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**Additional Information**

For additional information about our services, including up-to-date information about the Firm and/or a copy of this disclosure, please call our Compliance Department at 202.839.4910. You may also view much of this information utilizing our firm's Form ADV brochure on IAPD at <https://adviserinfo.sec.gov/firm/summary/304405>

**Conversation Starters.** Ask your financial professional –

- Who is my primary contact person? Is he or she a representative of an investment adviser or broker dealer? Who can I talk to if I have concerns about how this person is treating me?



## Form ADV Part 2A

### F/m Investments LLC

3050 K Street, NW, Suite 201  
Washington, DC 20007  
Phone: (202) 839-4910

E-mail: [info@fminvest.com](mailto:info@fminvest.com)  
Website: [www.fminvest.com](http://www.fminvest.com)

### March 31, 2025

This brochure provides information about the qualifications and business practices of F/m Investments LLC. If you have any questions about the contents of this brochure, please contact us at (202) 839-4910 or [info@fminvest.com](mailto:info@fminvest.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about F/m Investments LLC (CRD# 304405) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

F/m Investments LLC is a registered investment adviser with the SEC pursuant to the Investment Advisers Act of 1940. Registration of an investment adviser does not imply a certain level of skill or training.

## Item 2 - Material Changes

The current ADV Part 2A Disclosure Brochure for F/m Investments LLC contains the following materials changes since its last annual update on April 23, 2024:

- This annual update reflects significant changes to the structure of F/m Investments LLC. In October 2024, the Firm underwent a corporate reorganization and merged all of its sub-entities or "d/b/a" entities into F/m Investments LLC, including Genoa Asset Management LLC, Integrated Alpha Investments LLC, and North Slope Capital LLC. FMI still conducts business as Oakhurst Capital Advisors LLC in certain instances.

## Item 3 – Table of Contents

Item 1 - Cover Page .....	1
Item 2 - Material Changes.....	2
Item 3 - Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	8
Item 6 - Performance-Based Fees and Side-by-Side Management .....	12
Item 7 - Types of Clients.....	13
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Item 9 - Disciplinary Information .....	20
Item 10 - Other Financial Industry Activities and Affiliations .....	20
Item 11 – Code of Ethics, Participation in Client Transactions & Personal Trading .....	21
Item 12 - Brokerage Practices .....	22
Item 13 – Review of Accounts.....	25
Item 14 – Client Referrals and Other Compensation.....	25
Item 15 - Custody .....	26
Item 16 - Investment Discretion .....	26
Item 17 – Voting Client Securities.....	27
Item 18 – Financial Information .....	27
ERISA SECTION 408(b)(2) DISCLOSURE NOTICE .....	28
PRIVACY POLICY .....	29

## Item 4 – Advisory Business

### Firm Description

F/m Investments LLC (“FMI” or the “Firm” or the “Adviser is an investment adviser registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”), as amended. The Firm is headquartered in Washington, DC, and has offices in Boston, Chicago, St. Louis, Milwaukee and Los Angeles. In this document, references to “we,” “us,” and “our” refer to FMI unless the context requires otherwise.

FMI is a majority owned subsidiary of F/m Managers Group, LP (“FMG”), a subsidiary of 1251 Capital Group, Inc., a financial services holding company. In October 2024, the Firm underwent a corporate reorganization and merged all of its sub-entities or “d/b/a” entities into F/m Investments LLC, including Genoa Asset Management LLC, Integrated Alpha Investments LLC, and North Slope Capital LLC. FMI still conducts business as Oakhurst Capital Advisors LLC in certain instances.

### Overview of Investment Advisory Services

FMI provides several different types of investment advisory services:

- We provide general investment advisory services on a discretionary and non-discretionary basis; and
- We serve as the investment adviser to mutual funds and exchange-traded funds (each an “ETF”); and
- We provide portfolio management services and investment strategies to separately managed accounts (each an “SMA”) for a wide range of clients on a discretionary and non-discretionary basis, including individuals, institutions, high net worth individuals, family offices, trusts, charitable organizations, pension and profit-sharing plans, and clients of independent financial advisors; and
- We provide advisory services for Wrap Programs and Model Investment Portfolios; and
- We design and construct specialized portfolios and provide consulting services tailored to meet specific client mandates; and
- We act as a Qualified Professional Asset Manager (“QPAM”) under the Employee Retirement Income Security Act of 1974 (“ERISA”), providing requested guidance on specific transactions related to particular assets of employee benefit plan investors.

### Investment Advisory Services

FMI provides discretionary and non-discretionary investment management services to clients for a fee. Clients pay FMI investment advisory fees based on fee schedules as described in **Item 5 – Fees and Compensation**.

FMI provides investment management services to institutional and individual investors through SMAs, mutual funds and ETFs, and model-based accounts. The services involve managing each client's account on a continuous basis and purchasing and selling investments in the account as deemed necessary by FMI's professional staff using discretionary authority granted to FMI by the client. Types of securities managed include stocks, bonds, options, mutual funds, and ETFs. Some of these positions generally are used for "hedging" purposes and are designed to reduce, but not necessarily eliminate, the risk in various client portfolios. Clients may impose restrictions on investing in certain securities or types of securities. FMI manages client portfolios in accordance with their investment policies and uses reasonably available resources to comply with investment restrictions, when applicable.

FMI manages portfolios not involving continuous investment supervisory services. These services are provided when FMI is retained to perform a particular function not involving specific knowledge of other assets of the client. An example of such a service is the management of an institution's bond portfolio, but not other securities within the client's investment portfolio.

FMI also provides sub-advisory services to both unaffiliated asset managers by furnishing its investment strategies to the asset manager's clients. The initial investment and asset allocation recommendations are based on the financial information gathered from, or provided by, each client including a complete Investment Policy Statement, investment restrictions requested by the client, or overall financial condition. Based on this information, the client is provided with initial investment recommendations designed to provide an appropriate asset mix consistent with the client's objectives. The client's portfolio and its performance are then monitored by the client's Client Service Representative and the portfolio management team for consistency with the client's stated goals and objectives. Portfolio management teams will also monitor portfolios collectively, at the strategy level. The frequency of these reviews and transactions made for a client's accounts are determined by the Client Service Representative. Clients are free to contact their Client Service Representatives at any time if they have questions about their accounts.

Additionally, F/m also designs and constructs specialized portfolios and provides consulting services tailored to meet specific client mandates. FMI also acts as a QPAM under ERISA, providing requested guidance on specific transactions related to particular assets of employee benefit plan investors.

In certain cases, FMI provides investment guidance to clients on a non-discretionary basis (on either a portion of the assets held in the account or the entire account) with the client making final investment decisions.

FMI also provides non-discretionary advisory services to other registered investment advisers by delivering model portfolios.

FMI does not guarantee the results of its advisory services. Therefore, losses can occur from following FMI's advice pertaining to any investment or investment approach, including using conservative investment strategies.

## Separately Managed Accounts

FMI provides advisory and portfolio management services to SMAs. SMAs charge a fee based on assets under management. Within reason, clients may impose restrictions on investing in certain securities or types of securities. FMI will work with the client to accommodate investment guidelines and restrictions, so long as they do not interfere materially with a portfolio manager's ability to implement the investment and portfolio construction process.

Our chief investment strategies include: (i) small, mid and large cap equities, (ii) fixed income, (iii) enhanced cash, (iv) municipal bonds and ladders, (v) long and short equity, (vi) high yield fixed income, (viii) premium income, (ix) covered call, (x) short-term and intermediate fixed; and (xi) opportunistic income.

## Wrap Programs and Model-Based Services

FMI acts as a discretionary investment manager for one or more unaffiliated broker-sponsored (the "Wrap Sponsors") wrap-fee programs ("Wrap Programs"). Clients participating in wrap programs may be charged various program fees in addition to the advisory fee charged by FMI.

FMI provides asset management services to clients that select the Firm to manage their accounts through their respective Wrap Sponsor. FMI manages the program accounts in accordance with their investment policies and will use reasonably available resources to comply with investment restrictions, when applicable. There may be differences in the performance of wrap portfolios among FMI clients and other institutional accounts invested in similar strategies that FMI manages for other clients, resulting from differences in the number of securities held in the portfolio, cash availability, investment restrictions, account sizes, tax considerations, and other factors. The Wrap Sponsor generally pays FMI a fee based on assets managed in connection with the Wrap Program. The fees that FMI receives in connection with Wrap Programs may vary from fees charged to other clients and between Wrap Programs. For its advisory services, FMI receives a portion of the total wrap fee charged by the Wrap Sponsor.

FMI also provides model investment portfolios ("Models") to various outside financial institutions (each a "Model Provider") for their unified managed account programs and other model-driven investment vehicles ("Model Programs"). The Models contain FMI's investment recommendations as to the composition of a portfolio that would be purchased for an account managed in accordance with the relevant investment strategy. The recommendations generally reflect the investment recommendations and security weightings simultaneously being made for FMI's discretionary institutional and high-net-worth clients within the same investment strategy. The Model Provider may implement FMI's Model recommendations on its own trading platform for the clients that have chosen to participate in the Model Program. Model Providers may choose to implement some or all of FMI's recommendations in terms of both securities and/or weightings. As securities and weightings change in the Model, those modifications are communicated to the Model Providers, consistent with FMI's trade rotation practices, as referenced in **Item 12 – Brokerage Practices**. There is no requirement that the Models be administered as they



are provided, or at all, and FMI generally does not monitor or supervise the Model Programs administered by the outside Model Provider. As a result, the performance of FMI's discretionary accounts and those of the Models using the same investment strategy may differ for these and other reasons.

Generally, Wrap Program and Model Program accounts using the same investment strategy may perform similarly; however, there could be performance differences between them. Performance dispersion can occur because FMI does not have trading discretion over the Model Program accounts.

Sweep vehicle choices are determined by each custodian and FMI may not have tax-exempt sweep vehicles to choose from with every custodian. This could result in tax-exempt mandates utilizing a taxable sweep vehicle and, thereby, generating taxable income.

With respect to Model Program services, FMI has no investment discretion, no knowledge of the underlying investment advisers' clients, no authority to effect and/or execute trades on behalf of these registered investment advisers' clients and no knowledge as to whether a registered investment adviser followed any of our non-discretionary investment recommendations.

## **Mutual Funds and ETFs**

FMI serves as the investment adviser or sub-adviser to and manages mutual funds and ETFs (collectively, the "Managed Funds"). The Managed Funds are offered by prospectus only. Each prospectus includes information on the particular fund's investment objectives, risks, fees, expenses, and other information that prospective investors should read and consider carefully before investing.

FMI manages the following mutual funds: the F/m Investments Large Cap Focused Fund (Investor Class and Institutional Class), the Oakhurst Fixed Income Fund, the Oakhurst Short Duration Bond Fund and the Oakhurst Short Duration High Yield Credit Fund.

FMI also manages a range of passively and actively managed ETFs. With respect to passively-managed ETFs, FMI manages the U.S. Benchmark Series of ETFs - our flagship series of fixed income ETFs. The U.S. Benchmark Series of ETFs allows investors of all sizes to own each of the "benchmark" U.S. Treasuries in a single-security ETF by holding the most current or "on the run" U.S. Treasury security that corresponds to its stated maturity. Next, FMI manages the U.S. Credit Series of ETFs, which are investment grade corporate bond ETFs designed to equitize points along the credit curve. FMI also manages the F/m Ultrashort Treasury Inflation-Protected Securities (TIPS) ETF, which provides exposure to the TIPS market with the ease and efficiency of an ETF. Lastly, FMI manages two active ETFs, the first of which is the F/m Opportunistic Income ETF, which seeks to invest in undervalued and opportunistic sectors and securities in the U.S. fixed income markets. FMI also manages another actively managed ETF with an affiliated entity, Emerald Mutual Fund Advisers Trust, who acts as the sub-adviser for the Fund and who selects investments based on breakthrough science and innovation. The F/m Emerald Life Sciences Innovation ETF primarily invests in equity securities of life sciences companies.

## Other Advisory Services

FMI also provides other advisory services to high-net-worth individuals, corporations, endowments/foundations, retirement plans, and retirement plan participants. These advisory and consulting services include: helping formulate client investment objectives; identifying risk tolerance characteristics; developing Investment Policy Statements; creating asset allocation strategies driven by a client's policy or risk profile; searching for suitable investment managers, mutual funds and/or investment products (e.g., stocks and bonds) to implement these strategies; and continuous monitoring, evaluation and reporting on client accounts.

Portfolio Managers of client accounts may also be portfolio managers to mutual funds or ETFs recommended to clients, and thus have a conflict of interest when recommending these funds to clients. FMI intends to base recommendations on the best interests of its clients. Although FMI believes its services are competitively priced; clients may be able to obtain similar advisory services at lower prices if purchased elsewhere.

## Assets Under Management

As of December 31, 2024, FMI had almost \$17 billion in assets under management ("AUM"). The Firm manages approximately \$15,297,259,020 in assets on a discretionary basis and approximately \$1,602,175,214 in assets on a non-discretionary assets.

## Item 5 – Fees and Compensation

FMI receives compensation for providing advisory services depending on the manner in which they are provided.

### Compensation for Separately Managed Accounts

Fees for SMAs are negotiable for all discretionary accounts. FMI, in its sole discretion, may negotiate a lesser management fee or minimum account size due to a variety of factors, as further described below. The advisory fees charged and the manner and frequency that they will be calculated are disclosed in the Investment Management Agreement ("IMA") signed by the client and FMI. Clients may authorize FMI to debit advisory fees directly from their accounts, usually through their custodians.

SMAs generally provide for a fee which covers investment management, trade execution, reports of activity, asset allocation, and the recommendation and monitoring of investment managers. FMI's fee typically ranges from 0.35% (35 basis points) to 1.00% (100 basis points) annually, but typically does not exceed 2.00% annually (200 basis points).

SMAs may incur certain charges imposed by custodians and other third parties, which may include charges imposed directly by an underlying mutual fund or exchange traded fund in the account (which are disclosed in the underlying fund's prospectus), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, custodial fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction costs. These charges, fees and commissions are not included in the FMI's advisory fee.

## Compensation for Wrap Programs, Unified Managed Accounts (UMA) and Model-Based Services

FMI participates in several Wrap Programs and Model Programs (collectively, the “Programs”), as described in **Item 4 – Advisory Business**, which are sponsored by unaffiliated investment advisory and/or brokerage firms. Clients in these Programs should carefully review the Wrap or Model Sponsor’s Form ADV for complete details regarding each Program, including the risks, fees and expenses of the Programs. The minimum account size of such Programs is determined by the Wrap or Model Sponsor, and FMI reserves the right to waive or reduce the minimum account size at its discretion. Clients participating in these Programs may be charged various Program fees in addition to the advisory fee charged by FMI.

## Commission Structure

FMI has a sales team comprised of registered representatives (each a “Registered Representative”) who are registered with the Financial Industry Regulatory Authority, Inc. (“FINRA”). FMI’s Registered Representatives hold their licenses with a third-party broker-dealer who is also registered with FINRA called FNEX Capital (“FNEX”). FNEX supervises the sales activity of the Registered Representatives. FMI pays the Registered Representatives a base salary and discretionary bonus based on performance. The Registered Representatives also earn commissions based on gross sales of the Managed Funds, which they recommend on a wholesaling basis to other financial institutions and financial professionals. The Registered Representatives do not earn commissions on individual sales of the Managed Funds.

## Mutual Funds and ETFs

FMI advises mutual funds and ETFs (each a “Managed Fund”, or, collectively, the “Managed Funds”). The Managed Funds compensate FMI for the provision of services in accordance with investment advisory agreements approved by the Board of Trustees of each Managed Fund.

### Mutual Funds

With respect to the mutual funds, FMI is paid a fee equal to the annual rate below based on the Managed Fund’s average NAV :

#### **F/m Investments Large Cap Focused Fund**

*Investor Class – 0.90%*

*Institutional Class – 0.90%*

**Oakhurst Fixed Income Fund – 0.50%**

**Oakhurst Short Duration Bond Fund – 0.35%**

**Oakhurst Short Duration High Yield Credit Fund – 0.75%**

FMI has a contractual agreement with the Oakhurst Managed Funds under which it agreed to reduce its investment advisory fee and to absorb fund expenses to the extent necessary to limit total annual operating expenses for 2 years, ending October 30, 2025, which is described further in each Oakhurst Managed Fund’s prospectus.

### ETFs

With respect to the ETFs, each fund has a unitary management fee that is computed and paid monthly at an annual rate that is a specified percentage of each Fund's average daily net asset value ("NAV") during the month. From the unitary management fee, the Adviser pays most of the expenses of each Managed Fund, including the cost of transfer agency, custody, fund administration, legal, audit and other services. However, the Adviser does not pay for interest expenses, brokerage commissions and other trading expenses, taxes and other extraordinary costs, such as litigation and other expenses not incurred in the ordinary course of business. FMI is paid a unitary management fee annually based on each Managed Fund's daily NAV:

**US Benchmark Series** – 0.15%

**US Credit Series** – 0.15%

**F/m Opportunistic Income ETF** – 0.39%

**F/m Ultrashort Treasury Inflation-Protected Security (TIPS) ETF** – 0.25%

**F/m Emerald Life Sciences Innovation ETF** – 0.79%

### Use of Managed Funds in Client Accounts and Models

FMI may recommend or allocate the Managed Funds to certain advisory clients or within certain investment models. In these instances, we waive the client's account management fee for the portion of assets invested in the Managed Funds. The Client pays the fees, expenses and charges associated with the Managed Funds, custodian or other third parties. Please refer to the prospectus and statement of additional information ("SAI") for information about the fees and expenses associated with the Managed Funds.

FMI may recommend or allocate the Managed Funds to accounts for which it acts as the investment adviser. FMI receives a management fee from the Managed Funds which may be higher than the account management fee for a SMA or model running the same strategy, thereby creating a conflict of interest, as FMI has an incentive to utilize Managed Funds in client accounts or models. Each Managed Fund recommendation or allocation will be evaluated and made only if FMI deems it to be in the client's best interest.

### Compensation for Other Advisory Services

Fees for other advisory services are negotiated and depend upon the complexity and nature of the assignment. Asset based fees are typically billed quarterly, in advance, unless other arrangements are negotiated. The client and FMI generally have the right to terminate the agreement upon 30 days' written notice. Any unearned prepaid fees are prorated and returned to the client. The client pays agreed upon expenses due but not paid.

FMI has arrangements with other advisory firms where it will have discretionary authority over client assets; however, FMI is not the client's primary adviser and instead acts in a sub-advisory capacity. Fee arrangements for these accounts are generally negotiated individually based on the needs of the client, size of the account, and services provided to such accounts.

### General Fee Information

#### ***Fee Billing***

For new clients, advisory fees are typically payable quarterly in advance, based on the average month-end market value of the securities in the client's account during the quarter. Some legacy clients may have their own traditional billing arrangements, which can vary. Advisory fees are prorated based on the number of days that an account was open during the quarter. Client account fees are generally debited from each client's account by their custodian, as per FMI's instructions, and as allowed for by the client in the applicable IMA. The custodian sends each client a statement paid from the account, including any additional custodial fees.

### **Negotiability of Advisory Fees**

Although FMI has established fees for its advisory services, as further described in this ***Item 5 – Fees and Compensation***, it retains the right to negotiate alternative fees or reduce minimum account size in its discretion on a case-by-case basis. Client facts, circumstances and needs are considered when we determine the fee schedule. Factors may include FMI's relationship with the primary advisor, the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition, among other factors. The specific annual fee is specified in the advisory contract between FMI and each client.

### **Termination of Advisory Relationship**

A client agreement can be cancelled at any time and for any reason by either FMI or the client, upon written notice. Fees payable are prorated to the date of termination. Fees are also prorated for the initial quarter of services to reflect the number of days that FMI provided advisory services. If any advisory fees were paid in advance of services provided, they are promptly refunded upon termination, pro-rated according to the days remaining in the billing period.

### **Mutual Fund and ETF Fees**

Any fees paid to FMI for investment advisory services are separate from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus and generally include a management fee, fund expenses and distribution fees.

### **Additional Fees and Expenses**

In addition to advisory fees, FMI's clients are also responsible for the fees and expenses charged by custodians and by broker-dealers, including, but not limited to, transaction charges imposed by broker-dealers when an independent manager effects transactions for a client's account.

### **ERISA Accounts**

FMI is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts pursuant to ERISA and the regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. FMI is subject to certain obligations and responsibilities under ERISA and the CODE, including restrictions regarding certain forms of compensation. FMI has policies and procedures in place to avoid engaging in prohibited transactions.

## Item 6 – Performance-Based Fees & Side-By-Side Management

Under certain circumstances, FMI may in the future enter into performance-based fee arrangements in accordance with Rule 205-3 of the Advisers Act. The management of accounts with different advisory fee rates and/or fee structures, including accounts that pay advisory fees based on account performance, may raise potential conflicts of interest by creating an incentive to favor higher-fee accounts. These potential conflicts include, among others:

- The most attractive investments could be allocated to higher-fee accounts or performance fee accounts.
- The trading of higher-fee accounts or performance fee accounts could be favored as to timing and/or execution price. For example, higher-fee accounts or performance fee accounts could be permitted to sell securities earlier than other accounts when a prompt sale is desirable or to buy securities at an earlier and more opportune time.
- The trading of other accounts could be used to benefit higher-fee accounts (front-running).
- The investment management team could focus their time and efforts primarily on higher-fee accounts or performance fee accounts due to a personal stake in compensation.

In the event that FMI enters into a performance-based fee arrangement, FMI will attempt to address these potential conflicts of interest through various compliance policies that are generally intended to place all accounts, regardless of fee structure, on the same footing for investment management purposes.

For example, under FMI's policies:

- Performance fee accounts are included in all standard trading and allocation procedures with all other accounts.
- All accounts managed in the same style trade in parallel with allocations of similar accounts based on the procedures generally applicable to those accounts.
- All trading must be effected through our trading desk and normal queues and procedures must be followed (i.e., no special treatment is permitted for performance fee accounts or higher-fee accounts based on account fee structure).

FMI provides investment advice to client accounts and provides sub-advisory services to other accounts. We seek to ensure that all clients are treated fairly and equitably over time, regardless of the type of client, level of services provided, or the nature of our fee compensation.

## Item 7 – Types of Clients

### Our Client Base

FMI makes its advisory services available to a wide variety of clients, including but not limited to, individuals, institutions, high-net worth individuals, investment companies (mutual funds and ETFs), qualified retirement plans (pension, profit-sharing, SEP IRA, defined benefit), corporations and other business entities, trusts, estates, charitable organizations, clients of independent financial advisers, other registered advisers through sub-advisory agreements and wrap and model portfolio programs.

## Minimum Account Size

The minimum account size for SMA clients in FMI's strategies varies, with some strategies requiring as low as \$50,000 and other strategies requiring \$1,000,000 to \$5,000,000.

FMI may, in its sole discretion, waive its minimum account size and/or minimum fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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

Investing in securities involves the risk of loss that clients should be prepared to bear. FMI does not have a single strategy or program that is used for all advisory clients. Rather, strategies adopted for, or recommended to, particular clients are based on the individual needs and objectives of each client. Client portfolio parameters may vary due to the industry in which the client is involved or the goals for the portfolio (e.g., maximizing current income, asset preservation, or attainment of a certain yield over a defined period of time). Despite this relative diversity in clients' needs and objectives, FMI frequently uses common portfolio management strategies, where applicable, to manage similar portfolios with similar needs and objectives in similar ways. Neither FMI, nor the third party managers it may secure, can guarantee the results of any advice given. Therefore, significant losses can occur by investing in any security, or by following any strategy, including conservative investments and strategies recommended or applied by FMI.

## Methods of Analysis

When making investment decisions, FMI uses many sources of information, including publicly available filings, financial periodicals, research materials prepared by others, data services, and Wall Street analyses. Asset allocation software and historical performance modeling software may also be used. The Firm utilizes many methods of analysis, including, but not limited to:

**Cyclical Analysis.** In this type of technical analysis, FMI seeks to measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Fundamental Analysis.** FMI attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

**Mutual Fund and/or ETF Analysis.** FMI may look at the experience and track record of the manager of a mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm may also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio.

**Quantitative Analysis.** FMI may use mathematical models to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share and predict changes to that data.



**Technical Analysis.** FMI seeks to analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company.

**Third-Party Money Manager Analysis.** FMI may examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. FMI may monitor the manager's underlying holdings, strategies, concentrations and leverage as part of the Firm's overall periodic risk assessment. Additionally, as part its due-diligence process, FMI may survey the manager to review its compliance and business enterprise risks.

While FMI makes every effort to consider tax consequences when it provides investment advice, the sale of investments may cause taxable gain(s) or loss(es) to clients. Clients are advised to consult their independent personal tax professional about tax consequences resulting from transactions or any particular investment held in their account.

## Investment Strategies

FMI's portfolio managers utilize many analytical methods when formulating investment advice, constructing portfolios, and/or managing client assets. Each type of analysis relies on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and the other publicly-available sources of information about these securities, are providing accurate information. While FMI strives to vet the sources of information that it relies upon, there is always a risk that an analysis may be compromised by inaccurate or misleading data or information.

## Risk of Loss

Clients and/or investors in any of FMI's products should be aware that investing in securities involves risk of loss and they should be prepared to bear that loss. Risks are inherent in any investment, the amount of which may vary significantly, and investment performance can never be predicted or guaranteed. There is no guarantee that the investment objectives of any strategy will be met. No investment strategy can assure a profit or avoid a loss. Past performance is not a guarantee of future performance.

The risk associated with any investment in FMI's strategies, products and/or Model Portfolios may include some or all of the following, which are listed in alphabetical order to facilitate finding particular risks:

- **Active Management Risk.** Investments are subject to the risk that judgments about the value or potential appreciation of the investment may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, the investment may underperform relative to other investments with similar objectives or strategies.
- **Affiliate Risk.** Affiliate risk is the risk that FMI may select underlying investments for its mutual funds or ETFs based on its own financial interests or other business considerations rather than the interests of the particular mutual fund or ETF. FMI may be subject to potential conflicts of interest in selecting the underlying funds because: (i) they pay an advisory fee to FMI based on their assets, (ii) the fees paid



to FMI by some affiliated funds may be higher than other funds, and/or (iii) the underlying investment may be in need of assets to enhance its appeal to other investors, liquidity and trading and/or to enable them to carry out their investment strategies. However, the Adviser is a fiduciary to the each mutual fund and ETF and is legally obligated to act in the best interest of each mutual fund and ETF when selecting underlying investments.

- **Asset Allocation Risk.** An account or portfolio's risk directly corresponds to the risk of the asset classes in which it invests. Investing in multiple asset classes (either directly or indirectly) can facilitate diversification, but also creates exposure to the risks of different areas of the market. The direct or indirect allocation of an account or portfolio's assets amongst various asset classes and market sectors can cause an account or portfolio to underperform other accounts or portfolios with similar investment objectives.
- **Bank Obligation Investments.** Bank obligations may be more susceptible to adverse events affecting the U.S. banking industry. Banks are highly regulated and any decisions by regulators that limit the loans a bank may make or the interest rates or fees they charge, may negatively impact a bank's profitability.
- **Business Risk.** Business risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Concentration Risk.** Because some of the Firm's strategies have a high percentage of total assets invested in a small number of portfolio holdings, any single loss may have a significant adverse impact on the portfolio value.
- **Convertible Securities Risk:** After its purchase, a non-equity investment directly or indirectly held by a portfolio, such as a convertible debt obligation may convert to an equity security (converted investment). Alternatively, a portfolio may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. Challenges in liquidating the converted investment at an advantageous time may impact the performance of the portfolio.
- **Counterparty Risk.** Other parties to an agreement or a participant in a transaction, such as a broker-dealer, might default on a contract or fail to perform by failing to pay amounts due or failing to fulfill the obligations of the contract or transaction.
- **Credit Risk.** An investment can lose money if the issuer or guarantor of a security is unable or unwilling or is perceived to be so, whether by market participants, rating agencies, pricing services or otherwise, to honor its obligations. The value of a debt instrument is likely to fall if an issuer or borrower suffers an adverse change in financial condition resulting in a payment default or ratings downgrade. The risk of default is higher for emerging market bonds and securities related below investment grade.
- **Cyber Security Risk.** The Firm maybe be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of services attacks on websites, the unauthorized release of confidential information or various other forms of cybersecurity breaches. Cybersecurity attacks affecting

FMI or its service providers may adversely impact clients. For instance, cyber-attacks may interfere with the processing of transactions, cause the release of private information about clients, impede trading, subject clients and the Firm to regulatory fines or financial losses, and cause reputational damage. Similar types of cybersecurity risks are also present for issuers of securities in which clients may invest, which could result in material adverse consequences for such issuers and may cause FMI's investment in such issuers to lose value.

- **Currency Risk.** International 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.
- **Equity Securities Risk.** The value of equity securities fluctuates in response to general market and economic conditions (market risk) and in response to the performance of individual companies (company risk). Therefore, the value of an investment in the portfolios that hold equity securities may decrease. The market can decline for many reasons, including adverse political or economic developments in the U.S. or abroad, changes in investor psychology, or heavy institutional selling. Also, certain unanticipated events, such as natural disasters, pandemics, epidemics, terrorist attacks, war, economic sanctions, and other geopolitical events, can have a dramatic adverse effect on stock markets. Changes in the financial condition of a company or other issuer, changes in specific market, economic, political, and regulatory conditions that affect a particular type of investment or issuer, and changes in general market, economic, political, and regulatory conditions can adversely affect the price of equity securities. These developments and changes can affect a single issuer, issuers within a broad market sector, industry or geographic region, or the market in general.
- **ETF Risk.** ETFs are investment companies that are bought and sold on a national securities exchange. Unlike mutual funds, ETFs do not necessarily trade at the net asset values of their underlying securities, which means an ETF could potentially trade above or below the value of the underlying portfolios. Additionally, because ETFs trade like stocks on exchanges, they are subject to trading and commission costs unlike some mutual funds. Also, both mutual funds and ETFs have management fees that are part of their costs, and the portfolios will indirectly bear a proportionate share of these costs.
- **Foreign Exchange Risk.** Certain mutual funds and SMAs invest in foreign securities that are purchased and held in foreign currencies. The value of the United States Dollar relative to foreign currencies may fluctuate creating valuations that do not necessarily represent a security's performance in its native currency. Certain mutual funds and SMAs partially or fully hedge this exposure which incurs additional transaction cost and may limit the portfolios performance or ability to invest in select securities.
- **Foreign Investment Risk.** Certain mutual funds and SMAs invest in foreign stocks that may perform differently from domestic markets as a whole and following a strategy that uses in part or in whole foreign stocks may cause a portfolio to at time underperform domestic or global equity funds that use other investment strategies. Additionally, foreign stocks are subject to foreign exchange risk.
- **Frequent Trading and Portfolio Turnover Risk.** Certain strategies may invest on the basis of short-term market considerations and will make frequent trades in

securities, which can result in higher transaction costs and higher levels of current tax liability, which can adversely affect a portfolio's performance.

- **Growth Investment Risk.** Securities that have high valuation ratios and high expected profitability may perform differently from the market as a whole and an investment strategy purchasing these securities may cause the portfolio to at times underperform equity funds that use other investment strategies.
- **High Yield Securities Risk.** High-yield securities (also known as "junk bonds") are often considered to be speculative and involve greater risk of default or price changes than investment grade fixed-income securities due to changes in the issuers or the market's perception of an issuer's creditworthiness. The issuers of these securities may not be as financially strong as the issuers of higher rated securities. Prices of lower-rated securities have been found to be less sensitive to interest rate changes and more sensitive to adverse economic changes and individual corporate developments than more highly rated investments. When a security's rating is reduced below investment grade, it may be more difficult for the portfolio to receive income from its investment.
- **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.
- **Interest Rate Risk.** Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. Bond prices and interest rates usually move in opposite directions. Prices fall because the bonds and notes in an account's portfolio become less attractive to other investors when securities with higher yields become available. Interest rate changes can be sudden and unpredictable. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Generally, the longer the maturity of a security or the longer an account's weighted average maturity, the greater its interest rate risk.
- **Leverage Risk.** Certain strategies use leverage in the investment programs, including the use of borrowed funds and the use of short sales. Leverage is a speculative technique that may adversely affect investors. If the return on securities acquired with borrowed funds or other leverage proceeds does not exceed the cost of the leverage, the use of leverage could cause the investor to lose money. There is no assurance that a leveraging strategy will be successful.
- **Liquidity risk.** Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). Less liquid investments may be difficult to value and can change prices abruptly. As the size of the holding increases, the liquidity risk may also increase. Illiquid investments may (i) hinder FMI's ability to sell the investment in a timely manner or at desired prices based on current market conditions and/or (ii) impact the client's ability to receive proceeds in a timely manner.
- **Market Risk.** Even a long-term investment approach cannot guarantee a profit. Economic, political, overall market and issuer-specific events will cause the value of securities, and the portfolio that owns them, to rise or fall. Because the value of an investment in a portfolio will fluctuate, there is a risk that investors will lose money.

- **Momentum or Growth Investment Risk.** Momentum or growth stocks may perform differently from the market as a whole and following a momentum or growth-oriented investment strategy may cause a portfolio to at times underperform equity funds that use other investment strategies.
- **Municipal Securities Risk.** Municipal securities are subject to interest rate, credit and illiquidity risk and are affected by economic, business, and political developments. Lower rated municipal obligations are subject to greater credit and market risk than higher quality municipal obligations. Municipal securities can be significantly affected by political changes, as well as uncertainties in the municipal market related to taxation, legislative changes, or the rights of municipal security holders. In addition, the perceived increased likelihood of default among issuers of municipal bonds has resulted in increased illiquidity, increased price volatility and credit downgrades of such issuers. A lack of information regarding certain issuers may make their municipal securities more difficult to assess.
- **Option Risk.** Writing call options can reduce the risk of owning equity securities to the extent of the premium earned, but it limits the opportunity to profit from an increase in the market value of stocks. Unusual market conditions or the lack of a ready market for any particular option at a specific time may reduce the effectiveness of the option strategies, and for these reasons the option strategies may not reduce the funds' volatility to the extent desired. This may result in lower performance than if the strategies were not used.
- **Prepayment Risk.** Accounts that invest in income securities bear the risk that an issuer will exercise its right to pay principal on an obligation (such as an asset-based or mortgage-backed security) earlier than expected. This may happen during periods of declining interest rates. Under these circumstances, an account may receive a lower-than-expected yield and may be forced to reinvest in lower yielding securities.
- **Quantitative Model Risk.** When executing an investment strategy using quantitative models, securities or other financial instruments, the model may perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.
- **Reinvestment Risk.** 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.
- **REIT Trading Risk.** Real Estate Investment Trusts ("REITS") are investment companies that are bought and sold on a national securities exchange. Unlike mutual funds, REITS do not necessarily trade at the NAV of their underlying holdings, which means a REIT could potentially trade above or below the value of the underlying portfolio. Additionally, because REITs trade like stocks on exchanges, they are subject to trading and commission costs unlike some mutual funds. Also, both mutual funds and REITs have management fees that are part of their costs, and the portfolios indirectly bear a proportionate share of these costs.
- **Repurchase Agreement Risk.** The price paid for a particular loan or security in the Small Business Administration ("SBA") pool may be less than the purchase price

because of interest rate movements, supply and demand, and other factors. Repo counterparties could fail to repurchase the loans and securities upon demand and could result in the actual loans and securities being delivered to a client's account.

- **Sector Risk.** Certain portfolios allocate large portions of their investments in a particular economic sector, and as a result, the value of the portfolio may be subject to greater risk than a portfolio allocated more broadly across multiple sectors.
- **Short Sale Risk.** When a short sale strategy is used, the Firm will sell a stock it does not own but has borrowed, at the current market price. Short sales involve the risk that the investment will incur a loss by subsequently buying a security at a higher price than the price at which it sold the security short. The amount of such loss is theoretically unlimited (since it is limited only by the increase in value of the security sold short). In contrast, the risk of loss from a long position is limited to the investment in the long position, since its value cannot fall below zero. Strategies which utilize short sales may not always be able to close out a short position on favorable terms, and brokers could force us to close out short positions (i.e., 'buy-in') before we are otherwise ready to do so. Short selling is also a form of leverage.
- **Small/Mid-Cap Securities Risk.** Stocks of small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.
- **Structured Product Risk.** These types of products are often based on derivatives and are intended to be "buy and hold" investments and are not liquid instruments.
- **U.S. Government Securities Risk.** Some U.S. Government securities, such as U.S. government agency notes and bonds, are neither insured nor guaranteed by the U.S. government, meaning they are only supported by the right of the issuer to borrow from the U.S. government or by the credit of the agency issuing the obligation. If the strategy invests in a quasi-government security that is not backed by the U.S. government, there is no assurance that the U.S. government would provide support, and the strategy's performance could be adversely impacted if there is a deterioration in the financial condition of the issuer.

The above list of risks is not intended to be an exhaustive list or an explanation of the risks involved in a particular investment strategy. Clients should consult with their legal counsel, and/or tax professional on an ongoing basis for additional insights.

## Item 9 – Disciplinary Information

FMI has no disciplinary information to report. Neither the Firm nor its supervised persons have been involved in any legal or disciplinary events (i.e., criminal or civil action in a domestic, foreign or military court, or administrative proceeding before the SEC or any other federal or state regulatory agency, or self-regulatory organization) that are material to evaluating FMI's advisory business or the integrity of its management.

## Item 10 – Other Financial Industry Activities and Affiliations

### Relationships or Arrangements of Related Persons

David Littleton, the President of FMI, owns entities for the sole purpose of renting real estate properties. Mr. Littleton is not involved in the day-to-day operations of the management of these properties and clients of the Firm are not offered or solicited to participate in these

real estate investments. The Firm also attempts to mitigate the potential conflict of interest by requiring Mr. Littleton to acknowledge FMI's Code of Ethics, which includes a reminder that Mr. Littleton owes a fiduciary duty to the clients of the Firm and to put the interests of clients ahead of his own.

Mr. Littleton and Alexander Morris, the Chief Executive Officer of FMI, have an ownership interest in, and control of, Oakhurst Capital Advisors, LLC ("OCA"), an investment adviser registered with the SEC. OCA is not directly affiliated with FMI. OCA acts as sub-adviser to FMI for management of the Oakhurst mutual funds and several SMAs. FMI has a conflict of interest to utilize OCA to sub-advise on certain assets as a result of Mr. Littleton's and Mr. Morris' ownership interest and control of OCA. FMI believes that there is a reasonable basis that its sub-advisory relationship with OCA is consistent with the best interests of FMI clients and clients do not pay a higher overall fee as a result of the sub-advisory relationship between FMI and OCA. In addition, this arrangement provides FMI and its clients with access to certain trading resources, technology, and reporting that it believes are ultimately beneficial to FMI's clients.

EmStone Advisers, LLC ("EmStone"), a registered investment adviser, is a subsidiary of Emerald Advisers, LLC which, in turn, is a subsidiary of FMG. EmStone has engaged the Adviser to be a sub-adviser to manage investment strategies for certain of EmStone's clients.

FMI has adopted policies and procedures designed to address conflicts, including policies restricting trading in a security when an affiliate notifies FMI that the affiliate has material non-public information about the security and/or issuer. As a result, FMI may not be able to dispose of a security at a favorable time or take advantage of investment opportunities that would be available to it but for its affiliation with such affiliates.

As noted above in **Item 4 – Advisory Business**, FMI provides advisory services to Managed Funds. From time to time, FMI may recommend that clients buy or sell shares of the Managed Funds. While FMI endeavors at all times to put the interests of clients first as part of its fiduciary duty, clients should be aware that FMI's receipt of compensation for managing these funds creates a conflict of interest.

When FMI invests in shares of a fund that it advises, FMI does not charge an investment management fee on those assets. Instead, FMI excludes those Managed Fund assets when it calculate the investment management fees charged to its clients.

## Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

### Code of Ethics

FMI has adopted and enforces a Code of Ethics ("Code") in accordance with Rule 204A-1 of the Advisers Act and Rule 17j-1 of the Investment Company Act of 1940. All employees are considered to be "Supervised Persons" subject to the Code. The Code is designed to prevent the misuse of material, non-public information by FMI or any of its Supervised Persons. The Code requires that Supervised Persons acknowledge receipt of the Code at the time of hire and annually thereafter, and to report violations of the Code, in addition to complying with applicable federal and state securities laws. The Code requires that when acting in a fiduciary capacity, Supervised Persons must strive to put the client's interest ahead of the Firm's interests. FMI's Supervised Persons will not engage in fraudulent,

deceptive or manipulative conduct with respect to clients, and will act with appropriate care, skill and diligence. The Code sets forth specific provisions relating to Supervised Person's outside business activities, political contributions and confidentiality.

A copy of FMI's Code of Ethics is available upon request by e-mailing the FMI at [info@fminvest.com](mailto:info@fminvest.com) or sending a written request to: F/m Investments LLC, 111 Huntington Avenue, Boston, MA 02199, Attention: Compliance Department.

## Participation or Interest in Client Transactions

It is possible that FMI may recommend that clients (or the funds which it manages) buy or sell securities or investment products in which a related person of the Firm or an employee of the Firm has some financial interest. Specifically, as previously disclosed above, FMI may recommend that some clients invest in the Managed Funds, or FMI may allocate the Managed Funds in certain model portfolios. FMI's portfolio managers may invest in the Managed Funds and the Firm requires that all such transactions be carried out in a manner that does not conflict with the interests of any client. FMI requires all Supervised Persons act in accordance with all applicable federal and state regulations governing their activities. Furthermore, FMI's Code of Ethics expresses the Firm's commitment to ethical conduct. Supervised Persons may buy or sell securities for their personal accounts which are identical or different than those recommended to clients. It is FMI's policy that no Supervised Person may prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decision of advisory clients.

## Personal Trading

Certain Supervised Persons are also "Access Persons" that are subject to the personal securities trading policy of the Code. The personal securities trading policy sets forth trading restrictions and mandatory quarterly and annual reports of Access Person's transactions and holdings. Access Persons are permitted to invest for their own accounts, which may include investments in FMI's products or in the same securities that FMI selects for its client accounts. This creates a potential conflict of interest because FMI's Access Persons may have an incentive to execute their orders in front of client orders. To mitigate this conflict, the Code imposes restrictions (e.g., blackout periods, holding periods, restricted securities, and watch lists) on trading in securities that are or may be held in client accounts. Any exceptions to the Code must be pre-approved by the Compliance Department. Such approval will be given only where it is clear that the proposed activity would not create a potential conflict of interest or harm, disadvantage, or deprive any client of an opportunity. In the event of a potential conflict of interest, the foremost consideration is what is in the best interest of the client.

## Item 12 – Brokerage Practices

### Best Execution and Trading Policies

FMI's policy is to seek the best execution in security transactions for each client. The Firm defines best execution as placing trades in such a manner that the client's total proceeds or cost for each transaction is the most favorable under the circumstances in which the trades are placed. The determinative factor is not the lowest possible price and commission cost, but whether the transaction represents the best qualitative execution for the client.

Unless clients direct FMI otherwise, FMI allocates transactions to unaffiliated broker-dealers for execution on markets at prices and commission rates that the Firm determines will be in the best interest of the client. FMI selects the broker-dealer for best execution based on a number of factors, including price, commission, order size, difficulty of execution, degree of skill required by the broker-dealer and trading, execution, clearance and settlement capabilities. FMI may also take factors into account that are relevant to the specific broker-dealer, such as financial stability, reputation, past history of prompt and reliable execution of client trades, operational efficiency, access to markets, brokerage and research services provided, and overall responsiveness to the Firm.

All client trades are allocated to broker-dealers on FMI's "Approved Broker List," which is a list of broker-dealers that the Brokerage Practices Committee has approved for use as executing brokers for client securities transactions. The Approved Broker List is maintained to facilitate the orderly and consistent use of suitable executing broker-dealers for client transactions. In selecting broker-dealers for the Approved Broker List, the Committee utilizes a subjective determination after weighing a combination of the factors listed above. The ultimate determination as to the broker-dealer to select from the Approved Broker List on any given trade is made by the trader responsible for executing the transaction.

FMI may aggregate orders of securities for multiple client accounts and may aggregate sale or purchase orders of securities held by clients with similar orders being made simultaneously for other clients if such aggregation is reasonably likely to result in overall economic benefit to clients based on an evaluation that the clients are benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. In some instances, the purchase or sale of securities for clients will be effected simultaneously with the purchase or sale of like securities for other clients. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. In such event, the average price of all securities purchased or sold in such transactions is determined and the client may be charged or credited, as the case may be, the average transaction price.

FMI may use pro rata allocation when an aggregated order cannot be fully executed in a single day. In such cases, the portion of the order filled on a particular day is generally allocated among participating accounts based on the size of each account's order. Such allocations are subject to the Firm's ability to cancel or modify an order for one or more accounts if, the Firm believes that as a result of the incomplete fill, the order is no longer appropriate for such accounts. FMI may apply a minimum order allocation amount, which may vary based on a market convention associated with the particular security. Where remaining positions are too small to satisfy the minimum allocation amount, the Firm may decide to allocate the remaining shares to those accounts seeking large positions which remain unfilled or to allocate remaining shares to those accounts whose order would be completed as a result of the allocation.

FMI may allocate on a basis other than pro rata if, under the circumstances, such other method is reasonable, equitable, does not result in improper or undisclosed advantage or disadvantage to a particular account or group of accounts and results in fair access, over time, to trading opportunities for all eligible accounts. For example, the Firm may identify investment opportunities that are more appropriate for certain accounts than others and may determine to allocate a partial fill to such accounts.

Factors which the Firm may consider in making allocation decisions include, among others: investment objectives and restrictions, cash availability and changes in cash flows, including



current or anticipated redemptions, exchanges and capital contributions/withdrawals. Other allocation methods which may be used by the Firm include random and rotational allocation. Such allocation methods may be particularly appropriate when the transaction size is too limited to be effectively allocated pro rata among all eligible accounts.

As it relates to equity tactical trades, the Firm will rotate executions across broad trading categories ("Trade Categories"). The accounts are grouped largely based upon the Firm's ability to have control over the trading execution process. Accounts within each Trade Category will trade together, and the Trade Categories will be rotated. This will result in some Trade Categories trading later than others and thereby potentially receiving different prices for the same securities. The intention of the rotation is to ensure that all clients, regardless of Trade Category, are treated fairly and consistently over time.

SMA clients may direct brokerage transactions through other brokerage firms. When this happens, FMI is unable to seek the best available price and most favorable execution for the client's transactions. Consequently, the clients may not necessarily obtain execution of transactions or brokerage rates as favorable as those which might be obtained where FMI does select brokerage firms and negotiate commission rates and prices. Furthermore, the fees and charges payable under this arrangement may be higher than the aggregate amount of fees and charges that these clients would pay if FMI were to negotiate the fees and charges of each service provider and securities transaction separately.

## Research and Soft Dollars

When appropriate, under its discretionary authority and consistent with its duty to seek best execution, FMI may direct trades for client accounts to brokers who provide the Firm with brokerage and research services. The client commissions used to acquire brokerage and research services are known as "soft dollars." The Firm complies with Section 28(e) of the Securities Act of 1934, as amended, which provides a "safe harbor" that allows an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that: (1) the brokerage and research services fall within the definitions set forth in Section 28(e); (2) the brokerage and research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. The use of client commissions to pay for research and brokerage services may present FMI with conflicts of interest because: (1) it receives an indirect benefit that it does not have to pay for from its resources, and (2) the Firm may be incentivized to select brokers based on receiving brokerage and research services rather than receiving the most favorable execution.

The receipt of brokerage and research services in exchange for soft dollars benefits the Firm by allowing it to supplement its own research and analysis activities, to receive views and information from research experts, and to gain access to persons having special expertise on certain companies, industries, areas of economy, and market factors. These brokerage and research services are made available to the Firm in connection with its investment decision-making responsibilities and enhance the Firm's capability to discharge those responsibilities and this generally benefits all clients. FMI conducts periodic formal evaluations of its receipt of brokerage and research services. The Firm's Brokerage Practices Committee where it periodically reviews these types of relationships.

Brokerage and research services acquired with soft dollars may include, but not be limited to: written and oral reports on the economy, industries, sectors and individual companies or

issuers; appraisals and analysis relating to markets and economic factors; statistical information; accounting and tax law interpretations; political analyses; reports on legal developments affecting portfolio securities; information on technical market actions; credit analyses; on-line quotations, trading techniques, and other trading systems; risk measurement; analyses of corporate responsibility issues; research related on-line news services; seminars; on-site visits; asset allocation software; pricing; indices data; and financial and market database services. Brokerage and research services obtained with soft dollars are not necessarily utilized for the specific account that generated the soft dollars. Some clients, including, but not limited to, directed brokerage clients, unified managed account clients, and clients who restrict the use of soft dollars, may benefit from the research and brokerage products obtained from soft dollars despite the fact that their trade commissions may not be used to pay for these services. FMI does not attempt to allocate the relative costs or benefits of brokerage and research services among client accounts because it believes that, in the aggregate, the brokerage and research services it receives benefit all clients and assists the Firm in fulfilling its overall investment responsibilities.

Determination and evaluation of the reasonableness of the brokerage commissions paid are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the individual's experience in the securities industry and information available concerning the level of commissions paid by other investors of comparable size and type. The Firm may select brokers based on an assessment of their ability to provide quality executions and based on the Firm's belief that the research, information, and other eligible services provided by these brokers benefit client accounts.

### **Mixed-Use Products and Services**

Selected products or services provided by brokers may have administrative, marketing or other uses that do not constitute brokerage or research services within the meaning of Section 28(e) of the Securities Exchange Act of 1934. These are referred to as "mixed-use" services. In the event that FMI utilizes mixed-use services, it will attempt to make a reasonable allocation of the cost of these products or services according to their use, including the intended purpose, or the amount of time that different functions utilize the product or service. A conflict of interest may arise in allocating the cost of mixed-use items between research and non-research products and services. The portion of a product or service attributable to eligible brokerage or research services will be paid through brokerage commissions generated by client transactions; the remaining cost of the product or service will be paid by FMI from its own resources.

### **Item 13 – Review of Accounts**

Client Service Representatives and the portfolio management team review each of the Firm's client accounts on a regular basis. SMAs are reviewed with clients periodically on a schedule negotiated with the clients, but not less than annually.

Routine reviews of investment activity in client accounts are conducted to confirm that portfolio positions are within target ranges and are in adherence with the client's investment guidelines. Pre- and post-trade compliance systems and exception-based reporting help determine if any account is out of compliance with its agreed upon investment guidelines. When exceptions occur, a portfolio manager and compliance professional review the

exception and determine the appropriate action to be taken. Portfolio performance attribution is completed to understand the sources of return. A review of portfolio performance to composite performance is executed to ensure that any deviations are explained. The Compliance Department may also review client portfolios on a periodic basis in connection with testing of FMI's policies and procedures.

The IMA between FMI and each client defines the nature of reports and account reviews and their frequency. Normally, each report includes information regarding investment results, in the absolute and relative to appropriate peer groups and benchmarks over a variety of time periods. SMA clients will receive transaction confirmations and monthly statements (quarterly if no monthly activity occurs) from the qualified custodian of their account. Clients may receive quarterly reports from FMI upon request. Clients are urged to carefully review all custodial account statements and compare them to statements and reports that may be provided by FMI.

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

### **Solicitation Agreements**

FMI may enter into agreements with and compensate firms and individuals that refer prospective clients to the Firm. Typically, payments for referrals are a percentage of the customary advisory fee received by FMI from the referred client. Therefore, a referred client does not pay an additional fee to the Firm. At the time of solicitation, each referred client is provided with details regarding the referral arrangement before the client signs an advisory agreement with the Firm. Solicitation arrangements create a conflict of interest for the person or firm making the referral because of the fee the person or firm will receive for making the referral.

FMI negotiates compensation on a case-by-case basis with non-related entities that refer clients. To the extent it does so, FMI complies with applicable rules and regulations, including ensuring that any such direct advisory client is advised of the relevant referral and compensation arrangements.

### **Referral Arrangements**

If a client purchases Managed Funds through a broker-dealer or other financial intermediary (such as the fund's distributor, financial institutions, plan sponsors and administrators, and other financial intermediaries through which investors may purchase shares of Managed Funds), FMI and/or its affiliates may pay the intermediary for the sale of Managed Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and a client's salesperson to recommend FMI's Managed Funds over another investment. Clients should contact their financial intermediaries or plan administrators/sponsors for details about revenue sharing payments that they may receive.

## **Item 15 – Custody**

Other than obtaining authorization for deducting investment management fees, FMI does not take possession of client assets, and all discretionary and non-discretionary assets are held with the Custodian selected by the client. Clients should receive statements at least quarterly from the Custodian that holds and maintains the client's investment assets. FMI

reconciles accounts with custodial records and urges clients to carefully review such statements and compare such official custodial records to the portfolio appraisals that FMI provides.

## Item 16 – Investment Discretion

FMI provides both discretionary and non-discretionary investment advisory services. The majority of clients grant the Firm discretion, which allows FMI to manage portfolios and make investment decisions without client consultation regarding the securities and other assets that are bought and sold for an account, subject to investment guidelines. In such accounts, client approval is not required for the total amount of securities and other assets to be bought and sold, the choice of executing brokers, or the price and commission rates for such transactions. Clients who grant discretionary authority to FMI must do so in writing via an IMA or an amendment thereto. With respect to non-discretionary clients, FMI provides investment advice to the client and the client decides whether or not to follow some or all of the recommendations. Clients in SMAs may place restrictions on their accounts.

FMI does not have trading discretion over non-discretionary accounts, including certain Wrap and Model Programs. In these arrangements, FMI recommends transactions, but the Program's sponsor retains all investment and trading discretion.

## Item 17 – Voting Client Securities

FMI will accept the authority to vote proxies for advisory clients if that responsibility is specifically accepted by FMI in the advisory agreement between FMI and the client. When FMI has accepted authority to vote proxies for advisory clients, it acts in a fiduciary capacity and must act in the best interest of the client.

FMI has acquired proxy-voting guidelines from a third-party proxy research and voting firm. The guidelines purchased may not always correspond with the opinions of FMI as to the clients' best interests. Therefore, there may be times where FMI may not vote the client's shares in accordance with the third-party's guidelines. Any deviation from the third-party proxy voting guidelines is documented and retained by FMI's Compliance Department.

FMI utilizes a third party's electronic platform to oversee the administration of its proxy voting. In the event that shares are unavailable due to a securities loan agreement entered into by a client or for any other reason initiated by a client, FMI will not be responsible for voting proxies on the loaned or unavailable shares. Further, FMI is not responsible for voting proxies that are not received in a timely manner or for voting non-U.S. proxies.

FMI maintains records of proxy voting in accordance with the Advisers Act and will furnish proxy voting records regarding a client's securities upon written request by the client. Additionally, a copy of FMI's current proxy voting policies and procedures will be provided upon request. Upon written request, FMI will provide its clients with the Firm's proxy voting policies and procedures and/or copies of records regarding how the Firm voted their securities. Written requests must be addressed to: F/m Investments LLC, 111 Huntington Avenue, Boston, MA 02199, Attention: Compliance Department.

## Item 18 – Financial Information

FMI has never been the subject of a bankruptcy petition and is not aware of any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients. The Firm does not require prepayment of fees six months in advance or have any other events requiring disclosure under this item of this brochure.



## ERISA SECTION 408(b)(2) DISCLOSURE NOTICE

With respect to retirement plan clients subject to ERISA, FMI serves as a fiduciary to such clients pursuant to Section 3(21) of ERISA and by virtue of being a registered investment adviser providing fee-based advisory services. FMI provides discretionary investment management services to the portion of plan assets that are assigned to FMI's management, which services include determining the specific securities in which to invest such plan assets, as well as the specific brokers through which to trade such securities.

**Direct Compensation.** As set forth in the "Fees and Compensation" above, for its services, FMI accepts direct compensation in the form of fees. Each client's applicable fees are negotiated and set forth in the applicable Investment Management Agreement pursuant to which FMI manages the plan's account.

**Indirect Compensation.** FMI does not receive indirect compensation from any of the issuers of securities held in client accounts (such as 12b-1 or similar fees). From time to time, FMI may receive research reports from broker/dealers through which it executes brokerage transactions in a client account. In selecting brokers to execute client transactions, FMI does not base its decision solely on the research provided by such broker; rather, consistent with its fiduciary obligations, FMI selects brokers on the basis of "best execution" considering all relevant circumstances. For more detailed discussion of the factors considered in selecting brokers, see *Item 12 - Brokerage Practices* in this brochure.

## PRIVACY POLICY

REV. 3/2025

FACTS	WHAT DOES F/M INVESTMENTS LLC (and affiliates) 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?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and income</li> <li>▪ Investment experience and account balances</li> <li>▪ Credit card/other debt and credit history</li> </ul>
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 F/m Investments, LLC (and affiliates) chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does F/m (and affiliates) 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>	No	Not Applicable
<b>For our affiliates' everyday business purposes –</b> information about your transactions and experiences	No	Not Applicable
<b>For our affiliates' everyday business purposes –</b> information about your creditworthiness	No	Not Applicable
<b>For our affiliates to market to you</b>	No	Not Applicable
<b>For nonaffiliates to market to you</b>	No	No

Questions?	Call our offices at (202) 839-4910
------------	------------------------------------

Who we are	
Who is providing this notice?	F/m Investments LLC ("F/m")
What we do	
How does F/m protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards, secured files and buildings.
How does F/m collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>▪ Open an account with us</li> <li>▪ Deposit money</li> <li>▪ Seek advice about your investments</li> <li>▪ Enter into an investment advisory contract</li> <li>▪ Tell us about your investment or retirement portfolio or earnings</li> <li>▪ Give us your income information or provide employment history</li> </ul> <p>We also collect your personal information from other companies.</p>
Definitions	
Affiliates	<p>Companies that are controlling, controlled by, or under common control with F/m. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>F/m Investments LLC is owned by F/m Managers Group, LP, which has ownership interests in other Registered Investment Advisor entities.</i></li> </ul>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>We do not jointly market.</i></li> </ul>

Effective Date: March 31, 2025