

# FORM ADV PART 2A DISCLOSURE BROCHURE



## LIFE STAGE INVESTING

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This brochure provides information about the qualifications and business practices of Life Stage Investing, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 252-499-0248. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Life Stage Investing, LLC (CRD #311676) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**March 28, 2023**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

- Item 4, ONGOING FINANCIAL SERVICES, has been updated.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

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### Firm Description

Life Stage Investing, LLC (“LSI”) was founded in October 2020 and began offering advisory services in 2021. Placement Loop, Inc. is 100% owner, and Kevin Carroll is Chief Executive Officer and 94% owner of Placement Loop, Inc. Kevin Carroll is Managing Member and Chief Compliance Officer of LSI.

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### Types of Advisory Services

#### ASSET MANAGEMENT

LSI offers discretionary asset management services to advisory Clients. LSI will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize LSI discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

LSI participates in the Model Marketplace of Altruist LLC, an SEC- registered investment adviser and affiliate of Altruist Financial LLC. Through the Model Marketplace, LSI has access to model portfolios including Altruist LLC-generated portfolios and Third-Party Portfolios, to assist it in managing or advising LSI client accounts.

Altruist LLC and its affiliates do not act as investment advisers or fiduciary to LSI clients. LSI is responsible for suitability of all investment decisions and transactions for client accounts subscribed to model portfolios through the Model Marketplace.

When deemed appropriate for the Client, LSI may hire Sub-Advisors to manage all or a portion of the assets in the Client account. LSI has full discretion to hire and fire Sub-Advisors as they deem suitable. Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and LSI. Sub-Advisors execute trades on behalf of LSI in Client accounts. LSI will be responsible for the overall direct relationship with the Client. LSI retains the authority to terminate the Sub-Advisor relationship at LSI’s discretion.

#### HELD AWAY ACCOUNT MANAGEMENT

Advice and Trading - Using the Ponterra (formerly FEEX) platform, we have enhanced service for accounts not directly held in our custody to provide a turnkey process similar to what we provide to clients who use one of our recommended custodians. Instead of just quarterly recommendations, we will regularly review the current holdings and available investment options in these accounts, monitor the accounts, and implement our strategies as necessary. Because we will have discretionary trading authority over these held away accounts, we will be able to implement the trades and clients will not need to be involved in placing trades.

#### ERISA PLAN SERVICES

LSI provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. LSI may act as either a 3(21) or 3(38) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** LSI may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions. As an investment advisor LSI has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using LSI can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives.

Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. LSI acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).

- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands LSI's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, LSI is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. LSI will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

LSI may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between LSI and Client.

3. LSI has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;

- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to LSI on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

**ERISA 3(38) Investment Manager.** LSI can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets.

LSI would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

1. Fiduciary Services are:

- LSI has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assist the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assist the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- Provide discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands the LSI's assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, the LSI is not providing fiduciary advice as defined by ERISA to the Plan participants. LSI will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

LSI may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between LSI and Client.

3. LSI has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;

- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to the Adviser on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

#### ONGOING FINANCIAL PLANNING

LSI provides an ongoing financial planning subscription service available on a Gold or Platinum level. Please find the services and description available for each level below:

Service	Description	Gold	Platinum
		Price Per Year \$4,800	Price Per Year \$6,000
Check-in via phone/video conference	Ongoing check-in to answer any questions regarding their overall plan up to that point. Confirm any recommendations have been implemented.	X	X
Human Capital Review	Perform a human capital review which is a discussion of career path trajectories, potential for additional educational development, and honing professional skills.	X	X
Employee Benefits Review	Annual checkup on employee benefits that are available and advise on what to elect or opt-out of depending on current financial situation.	X	X
Social Security & Cash Flow Analysis	An analysis of expenses that are coming out versus any income streams. Determine if a deficit exists and make suggestions on how to mitigate any overspending.	X	X
Personal Net Worth Statement	A snapshot of assets and liabilities.	X	X
Insurance / Risk Mitigation Review	Analyze current insurance coverage, including life, health, auto, home, etc. Make recommendations on any changes to policies and/or adding additional coverage.	X	X
Annual Credit Report Reminder	Reminder to pull the credit report to inspect any discrepancies.	X	X
Tax Reduction Strategy	Identify ways to minimize taxes on personal income to the extent permissible by the tax code.	X	X

Review of Assets (Real & Investment Accounts)	Gather statements outlining accounts of savings, investments, retirement, and real property.	X	X
Goal and Values Reassessment	Review previously established goals and track progress. Include/exclude goals that may have been created, completed, or determined inapplicable due to a significant life event or change in values.	X	X
Review retirement plan contributions % / allocation.	Check on any retirement plan contribution amounts, company match, and available investment products the plan offers. Make recommendations on any changes to allocation or strategy.		X
Provide net worth / Liability / Income Summary point-to-point	Summarize overall net worth by reviewing asset values and current liabilities. Evaluate overall debt outlook relative to income. Compare with results from the previous year.		X

Clients that subscribe to ongoing financial planning services can expect to have unlimited access via meetings, phone, or email to assess current financial condition (including assets, debts, income, and spending), future financial goals and values, and what current limitations or hurdles the Client may be facing to address changes along the way. Initial recommendations are completed and delivered within thirty (30) days, contingent upon timely delivery of all required documentation.

If a conflict of interest exists between the interests of LSI and the interests of the Client, the Client is under no obligation to act upon LSI's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through LSI.

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### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Agreements may not be assigned without written Client consent.

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### **Wrap Fee Programs**

LSI does not sponsor any wrap fee programs.

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### **Client Assets under Management**

As this is the initial filing of this brochure, LSI has no Client assets under management.

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

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## Method of Compensation and Fee Schedule

### ASSET MANAGEMENT

LSI offers discretionary direct asset management services to advisory Clients. LSI charges an annual investment advisory fee based on the total assets under management as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Monthly Fee</b>
First \$250,000 (\$0-\$250,000)	1.00%	0.0834%
Your next \$750,000 (\$250,000.01 - \$1,000,000)	0.75%	0.0625%
Subsequent amounts (\$1,000,000.01+)	0.50%	0.0417%

This is a blended fee schedule; the asset management fee is calculated by applying different rates to different portions of the portfolio. LSI may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

#### **For example (based on monthly billing period):**

Client with \$2,500,000 under management would pay \$2,350.00 on an annual basis.

<u>AUM</u>	<u>Monthly fee</u>	<u>Total</u>
First \$250,000	x 0.0834% =	\$208.50
Next \$750,000	x 0.0625% =	\$468.75
Next \$1,350,000	x 0.0417%=	\$562.92
Grand total for the month		<hr/> <b>\$1,240.17</b>

The annual fee is negotiable 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.). Fees are billed monthly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous month plus pro-rated flows. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. After the initial five (5) business days, the agreement may be terminated by LSI with thirty (30) days written notice to Client and by the Client at any time with written notice to LSI. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to LSI. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

LSI participates in the Model Marketplace of Altruist LLC, an SEC- registered investment adviser and affiliate of Altruist Financial LLC. Through the Model Marketplace, LSI has access

to model portfolios including Altruist LLC-generated portfolios and Third-Party Portfolios, to assist it in managing or advising LSI client accounts.

Altruist LLC's Model Marketplace fees – which range between 0.00% and 1.00% and are listed in the Model Marketplace Fee Schedule available at [altruist.com/legal](http://altruist.com/legal) – are automatically deducted from LSI's house account or passed through to and debited from clients' accounts, according to the instruction of LSI.

LSI may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios. LSI will enter into Sub-Advisor agreements with other registered investment advisor firms. When using Sub-Advisors, the Client will not pay additional fees. The Sub-Advisors fees are inclusive of the fees charged by LSI.

#### HELD AWAY ACCOUNT MANAGEMENT

Pontera (formerly FeeX) - Our firm will also provide service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System (Pontera) to implement asset allocation and opportunistic rebalancing strategies on behalf of the client. Pontera is a clerical service that facilitates orders from LSI to client accounts not held in our custody, for example, employer sponsored retirement plans like 401(k)s. This service does not facilitate account billing and fees are paid through a separate billing process.

The accounts that will utilize these services will be primarily 401(k) accounts, HSAs, and other assets that LSI does not have custody of. Our firm will regularly review, rebalance, and implement our strategies using different tools as necessary.

We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary. notify clients who chose to participate in this program will be notified when our firm places a trade through Pontera implementing any and all changes to your account. The fees charged in these situations are the same as described in the table under "Fees and Compensation." Fees are paid separately on the management of these "held away" assets and clients may be provided an invoice describing the fees.

#### ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed 1%. The annual fee is negotiable and may be charged as a percentage of the Included Assets. Fees are be charged monthly in arrears based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, LSI shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of LSI for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. LSI does not reasonably expect to receive any additional

compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, LSI will disclose this compensation, the services rendered, and the payer of compensation. LSI will offset the compensation against the fees agreed upon under the Agreement.

#### ONGOING FINANCIAL PLANNING

LSI charges a monthly subscription fee for ongoing financial planning which is available at two levels below:

<b>Gold</b>	<b>Platinum</b>
\$4,800.00 per year	\$6,000.00 per year
\$400.00 per month	\$500.00 per month

Fees for ongoing financial planning are negotiable and are due monthly in advance. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to LSI. Ongoing services will continue month to month unless cancelled by either party with thirty (30) days written notice.

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#### **Client Payment of Fees**

Fees for asset management services are deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

Fees for ERISA services will either be deducted from Plan assets or paid directly to LSI. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to LSI.

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#### **Additional Client Fees Charged**

Custodians may charge brokerage commissions, transaction fees, and other related costs on the purchases or sales of mutual funds, equities, bonds, options and exchange-traded funds. Mutual funds, money market funds and exchange-traded funds also charge internal management fees, which are disclosed in the fund's prospectus. LSI does not receive any compensation from these fees. All of these fees are in addition to the management fee you pay to LSI. For more details on the brokerage practices, see Item 12 of this brochure.

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#### **Prepayment of Client Fees**

LSI does not require any prepayment of fees of more than \$500 per Client and six months or more in advance.

Fees for ongoing financial planning are billed monthly in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to LSI.

## **External Compensation for the Sale of Securities to Clients**

Investment Advisor Representatives of LSI receive external compensation from sales of investment related products such as insurance as licensed insurance agents. This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. This conflict is mitigated by disclosures, procedures, and LSI's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another insurance agent of their choosing.

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

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

LSI does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for LSI to recommend an investment that may carry a higher degree of risk to the Client.

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

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### **Description**

LSI generally provides investment advice to individuals, high net worth individuals and corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

LSI does not require a minimum to open an account.

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

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### **Methods of Analysis**

Security analysis method will include fundamental analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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

In developing a financial plan for a Client, LSI's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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## Investment Strategy

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to LSI. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy. Other strategies may include long-term purchases and short-term purchases.

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## Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with LSI:

- *Market Risk:* The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and midcap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

- *Investment Companies Risk:* When a client invests in open end mutual funds or ETFs, the client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which client invests.
- *Foreign Securities Risk:* Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

The risks associated with utilizing Sub-Advisors include:

- **Manager Risk**
  - Sub-Advisor fails to execute the stated investment strategy
- **Business Risk**
  - Sub-Advisor has financial or regulatory problems
- The specific risks associated with the portfolios of the Sub-Advisor's which is disclosed in the Sub-Advisor's Form ADV Part 2.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

LSI and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

LSI and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

LSI and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of LSI or the integrity of its management.

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

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### **Broker-Dealer or Representative Registration**

LSI is not registered as a broker-dealer and no affiliated representatives of LSI are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Neither LSI nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Kevin Carroll is an insurance agent with Life Stage Planning, LLC. Approximately 10% of his time is spent on this activity. He will offer Clients services from this activity. As an insurance agent, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the fee/commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent.

Placement Loop, Inc. is 100% owner of LSI. Mr. Carroll is a 94% owner and CEO of Placement Loop, Inc., a workforce development technology company. Approximately 10% of his time is spent on this activity.

Placement Loop, Inc is also a Reg D offering under Rule 506 of the Securities Act. The conflict of interest is mitigated as LSI Clients will not be solicited by Placement Loop, Inc or LSI to invest in the Reg D offering.

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### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

LSI may also utilize the services of a Sub-Advisor to manage Clients' investment portfolios.

Sub-Advisors will maintain the models or investment strategies agreed upon between Sub-Advisor and LSI. Sub-Advisors execute all trades on behalf of LSI in Client accounts. LSI will

be responsible for the overall direct relationship with the Client. LSI retains the authority to terminate the Sub-Advisor relationship at LSI's discretion.

In addition to the authority granted to LSI, Clients will grant LSI full discretionary authority and authorizes LSI to select and appoint one or more independent investment advisors ("Advisors") to provide investment advisory services to Client without prior consultation with or the prior consent of Client. Such Advisors shall have all of the same authority relating to the management of Client's investment accounts as is granted to LSI in the Agreement. In addition, at LSI's discretion, LSI may grant such Advisors full authority to further delegate such discretionary investment authority to additional Advisors.

This practice represents a conflict of interest as LSI may select Sub-Advisors who charge a lower fee for their services than other Sub-Advisors. This conflict is mitigated by disclosures, procedures, and by the fact that LSI has a fiduciary duty to place the best interest of the Client first and will adhere to their code of ethics.

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

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### **Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of LSI have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of LSI affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of LSI. The Code reflects LSI and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

LSI's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of LSI may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

LSI's Code is based on the guiding principle that the interests of the Client are our top priority. LSI's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

LSI will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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## **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

LSI and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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## **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

LSI and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide LSI with copies of their brokerage statements.

The Chief Compliance Officer of LSI is Kevin Carroll. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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## **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

LSI does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide LSI with copies of their brokerage statements.

The Chief Compliance Officer of LSI is Kevin Carroll. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

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## **Item 12: Brokerage Practices**

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### **Factors Used to Select Broker-Dealers for Client Transactions**

LSI will recommend the use of a particular broker-dealer or may utilize a broker-dealer of the Client's choosing. LSI will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. LSI relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by LSI.

- *Directed Brokerage*

In circumstances where a Client directs LSI to use a certain broker-dealer, LSI still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: LSI's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals. The firm may be unable to achieve most favorable execution of client transactions, and this practice may cost clients more money.

- *Brokerage for Client Referrals*  
LSI does not receive client referrals from any custodian or third party in exchange for using that broker-dealer or third party.
- *Best Execution*  
Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. LSI does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*  
The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by LSI from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, LSI receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of LSI. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when LSI receives soft dollars. This conflict is mitigated by the fact that LSI has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

LSI utilizes the services of custodial broker dealers. Economic benefits are received by LSI which would not be received if LSI did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to LSI's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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### **Aggregating Securities Transactions for Client Accounts**

LSI is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of LSI. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis. If aggregation is not allowed or infeasible and individual transactions occur (e.g., withdrawal or liquidation requests, odd-late trades, etc.) an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

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

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## **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory**

### **Persons Involved**

Account reviews are performed quarterly by the Chief Compliance Officer of LSI. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target allocations of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, LSI suggests updating at least annually.

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### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

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### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by LSI's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. LSI does not provide additional reports to Clients.

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

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### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

LSI does not receive any economic benefits from external sources.

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### **Advisory Firm Payments for Client Referrals**

LSI does not compensate for Client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by LSI.

LSI is deemed to have limited custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of LSI.

LSI offers investment advisory services through the custodial platform offered by Altruist Financial LLC ("Altruist"), and its current clearing firm, Apex Clearing Corporation (each unaffiliated SEC-registered broker dealers and FINRA/SIPC members). Custody, clearing and execution services are provided by Apex Clearing Corporation through April 20, 2023, following which date, these services will be provided by Altruist Financial LLC as a self-clearing broker-dealer. LSI's clients establish brokerage accounts through Altruist. LSI

maintains an institutional relationship with Altruist whereby Altruist provides certain benefits to LSI, including a fully digital account opening process, a variety of available investments, and integration with software tools that can benefit LSI and its clients.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

LSI requires discretionary authority to manage securities accounts on behalf of Clients. LSI has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

LSI does not allow restrictions to be placed on Client accounts as it may not allow LSI to effectively manage the Client account.

The Client approves the custodian to be used and the commission rates paid to the custodian. LSI does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

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

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### **Proxy Votes**

LSI does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, LSI will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided to Clients because LSI does not serve as a custodian for Client funds or securities and LSI does not require prepayment of fees of more than \$500 per Client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

LSI has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

### **Bankruptcy Petitions during the Past Ten Years**

LSI has not had any bankruptcy petitions in the last ten years.

## **Item 19: Requirements for State Registered Advisors**

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**Principal Executive Officers and Management Persons**

The education and business background for all management and supervised persons can be found in the Part 2B of this Brochure.

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**Outside Business Activities**

The outside business activities for all management and supervised persons can be found in the Part 2B of this Brochure.

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**Performance Based Fee Description**

Neither LSI nor its management receive performance based fees. Please see Item 6 of the ADV 2A for more information.

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**Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons**

None to report in the past 10 years.

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**Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities**

There are no material relationships with issuers of securities to disclose.