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Avera Capital Wealth Management

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Form ADV Part 2A Brochure

Cedrus LLC, doing business as Avera Capital Wealth Management (hereinafter "Avera"), is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Avera. If you have any questions about the contents of this brochure, please contact us at (720) 724-2170. 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 Avera is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 27, 2024, we submitted our annual updating amendment filing for fiscal year 2023. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately $651,135,672, and non-discretionary assets under management of approximately $0. We also updated our disclosures pertaining to compensation for the sale of investment products in Item 5 of the document.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (720) 724-2170.

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Introduction
Avera is a registered investment advisor based in Littleton, Colorado. We are a limited liability company organized under the laws of the State of Colorado. We have been providing investment advisory services since 2021. Tyler J. Graeve, Managing Member, and Mark Neely, Member, are the principal owners of Avera.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**

Portfolio Management Services
Avera offers discretionary and non-discretionary portfolio management services. Discretionary management means that we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and help you decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals.

Avera primarily uses the following types of securities in its portfolio management programs: domestic and foreign equity securities; exchange traded funds; investment company products; corporate securities; municipal securities and U.S. government securities. Avera may also advise Clients on any other type of investment deemed appropriate based upon stated goals and objectives. Avera may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment for which the Client requests advice.

Selection of Sub-Advisors
As part of our overall portfolio management strategy, we may use one or more sub-advisors to manage all or a portion of your account. Currently, we utilize the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), and others. We may also use third party investment advisers that are listed on Schwab's custodial platform. All sub-advisors recommended by our firm must either be registered as investment advisors or exempt from registration requirements. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub-advisor's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We continuously monitor the performance of any accounts managed by the sub-adviser and assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in the best interest of the Client. The sub-advisor(s) may use one or more of their own model portfolios to manage your account. You will be required to sign an individual agreement with the sub-advisor or a tri party agreement with the sub-advisor and Avera. The sub adviser will charge a fee that is in addition to the fees charged by our firm. In most cases, Avera will not share in the fees charged by the sub-advisor. The sub-adviser may also act as a payment

agent for our firm. However, in the case of accounts maintained with The Pacific Financial Group, Inc., Avera will receive a portion of the fee charged by The Pacific Financial Group, Inc. for services rendered to the client.

Management of Held Away Assets

As part of our overall portfolio management services, we provide asset allocation review, rebalancing and management services for accounts that are not held in custody of the qualified custodian(s) recommended by our firm. These services are provided through an account aggregation service called Pontera (formerly FeeX). The service primarily applies to ERISA and non-ERISA plan assets such as 401(k)s and 403(b)s, and other assets that must be held in custody of the plan custodian(s). We regularly review the available investment options in these accounts, monitor them, and periodically rebalance and implement our strategies using different tools as necessary. If you elect to allow our firm to manage your assets through Pontera, you will be notified via email when Avera places trades through Pontera.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

We recommend that you review the statement(s) you receive from the qualified custodian for accuracy. Please call our main office number, located on the cover page of this brochure, if you have any questions about your statements or if you notice any inaccuracies.

Financial Planning Services

We offer broad-based financial planning, which includes a variety of services, mainly advisory in nature, regarding management of financial resources. Such management is based upon an analysis of the client's individual needs and begins with an initial consultation. Once we collect and analyse all documentation, we provide a financial plan designed to achieve the client's financial goals and objectives. The plan may be delivered in writing, or in the form of one or more meeting or telephone consultations. In this way, Avera assists the client in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following, along with any other investment related topic that the client would like to discuss:

- Retirement Planning and Cash Flow Analysis – Avera analyzes the Client's current and future cash flow in order to determine whether lifetime capital needs will be met. Additionally, the firm reviews the beneficiary designations on Client qualified plans and individual retirement accounts, and formulates distribution plans from such accounts.
- Income and Estate Tax Minimization – Avera explores ways to reduce the Client's income tax liability, including alternative minimum tax planning, and devises strategies to minimize and possibly eliminate future estate tax liability.
- Estate Planning – Avera reviews the overall distribution plan contained in wills, trusts and related documents, assists the Client in designating executors and/or trustees, titling of assets, gifting strategies, charitable planning, and the use of various types of trusts to promote estate planning and wealth transfer objectives.
- Insurance Planning – Avera analyzes the cost effectiveness and adequacy of various types of insurance coverage from a risk management standpoint, and explores ways that insurance can be tactically used as a tax efficient vehicle to transfer wealth as part of an estate plan.
- Stock Options/ Rule 144 Stock – Avera reviews the Client's current positions and explores various strategies for the timing of exercising of both non-qualified and incentive stock options, taking into account funding and tax considerations, and strategies for restricted stock grants.
- Business Succession Planning – Avera formulates a plan to sell/transfer the Client's business to family members, company insiders or a third-party purchaser, focusing on management transition, funding, and estate tax issues.

- Charitable Planning – Avera helps Clients optimize the tax benefits of charitable gifting during life and after death, utilizing charitable trusts, donor advised funds and private foundations.
- Asset Protection – Avera conducts risk assessment reviews of liquid and illiquid Client assets.

The recommendations and solutions are designed to achieve the desired goals subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are based on a client's financial situation based on the information provided to the firm. We should be notified promptly of any change to a client's financial situation, goals, objectives, or needs. Clients are advised that certain assumptions are made with respect to interest and inflation rates, as well as past trends, historical market performance, and the economy. Past performance is in no way an indication of future results. Avera cannot offer any guarantees or promises that the Client's financial goals and objectives will be fully met.

Our assessment or analysis may be provided in segments after one or more working sessions with the Client. Avera also meets periodically with the Client, upon request, or on an as needed basis, as determined by Avera, to discuss the Client's strategy and implement it by providing one or more of the portfolio management services described above.

Important Note:
Information related to legal or tax matters that is provided as part of our services is for informative purposes only. Clients are instructed to contact their attorneys or tax professionals for legal or tax services.

Wrap Fee Programs
We do not sponsor or manage wrap fee programs.

Assets Under Management
As of December 31, 2023, we manage $651,135,672 in client assets on a discretionary basis and $0 on a non-discretionary basis.

Fees and Compensation - Item 5

Portfolio Management Services Fees
For portfolio management services, Avera charges an annual fee based upon a percentage of the market value of the assets being managed. Our fee for portfolio/asset management services will not exceed 1.50% of the client's portfolio. At the inception of investment management services, the first quarter's fees will be calculated on a pro-rata basis.

Clients invested in the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), are required to custody accounts with SEI Trust Company. Portfolio management fees for assets custodied at SEI Trust Company are billed quarterly, in arrears, and are based on the value of your portfolio at the end of the preceding quarter. SEI Trust Company, the custodian holding client accounts, calculates and deducts advisory fees through the authority granted by the Client in the account opening agreement with SEI Trust Company and forwards such fees to Avera. Avera does not participate in the advisory fee calculation and deduction process. SEI Trust Company sends an account statement to all Clients on at least a quarterly basis. This statement will detail all account activity. Clients are encouraged to review their account statements to verify the accuracy of all information.

Portfolio management fees for assets custodied at Charles Schwab & Co., Inc. (Schwab) are billed quarterly, in arrears, and are based on the average daily balance of the portfolio during the quarter. Clients are required to give Schwab written authorization to allow Avera to calculate and to instruct Schwab to deduct the fee. Schwab will send an account statement at least quarterly. This statement will detail all account activity. Fees may be deducted from a single designated client account to facilitate billing.

In limited circumstances, at the sole discretion of Avera, we may agree to invoice you directly for our advisory fee or we may negotiate other fee payment arrangements. The exact fee paid by the clients will be clearly set forth in the advisory agreement signed by the firm and the client.

For held away assets managed through Pontera, Pontera does not offer us the ability to deduct fees from the account. As such, fees for the management of held away assets will either be paid directly by the Client or deducted from another account that we manage for the Client at the qualified custodian(s) recommended by our firm.

Our annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the Client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs. The fees charged by sub-advisors for the management of portions of your portfolio are separate and distinct from our fees. Sub-advisors debit their fees directly from your account. We do not share in the fee charged by sub-advisors.

The Agreement between Avera and the Client will continue in effect until either party terminates the Agreement by giving to the other written notice, at least thirty (30) days prior to the date on which the termination is to be effective. Refunds are not applicable because fees are payable in arrears.

Financial Planning Services Fee
For stand-alone financial planning services, Avera charges a negotiable fixed fee that ranges from $2,000 to $30,000. Prior to engaging Avera to provide financial planning services, Clients will be required to enter into a written financial planning agreement. The financial planning agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided. Fees for financial planning services are billed 50% in advance and 50% upon completion of the agreed upon service. Avera does not require the prepayment of over $1,200, six or more months in advance.

Either party may terminate the financial planning agreement by providing written notice to the other party. In the event there are any prepaid, unearned fees at the time of termination, Avera will promptly refund a *pro rata* share to the client.

Additional Fees and Expenses
All fees paid to Avera for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds, exchange traded funds or other investment companies. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in an investment company directly, without the services of Avera. In which case, you would not receive the services provided by Avera, which are designed, among other things, to assist you in determining which fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by Avera to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided.

Additional transaction fees, sub advisory fees and other fees charged by third parties will increase the overall cost of Avera's advisory recommendations.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Negotiability of Fees: The fees Avera charges are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. The fees are charged as described above and are not based on a share of capital gains of the funds of any advisory client. We allow Associated Persons servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

Billing on Cash Positions: The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Billing on Margin: Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees which will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin may negatively impact an account's performance in a rising market.

Periods of Portfolio Inactivity: The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

Compensation for the Sale of Investment Products

Certain Executive officers and other Associated Persons of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by Associated Persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

IRA Rollover Considerations
As a normal extension of financial advice, we provide education or recommendations related to the rollover of an employer-sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor's unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

An Associated Person who recommends an investor roll over plan assets into an Individual Retirement Account ("IRA") may earn an asset-based fee as a result, but no compensation if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, fees and expenses will increase to the investor as a result because the above-described fees will apply to assets rolled over to an IRA and outlined ongoing services will be extended to these assets.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interests and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

Performance-Based Fees and Side-By-Side Management - Item 6

Performance-based fees are based on a share of capital gains on or capital appreciation of the client's assets. Our Associated Persons and we do not accept performance-based fees.

Types of Clients - Item 7

We generally offer investment advisory services to individuals, pension and profit-sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

Avera generally requires a minimum of $100,000 to establish an advisory relationship. This requirement can be met by combining two or more accounts owned by you or related family members. From time to time, Avera may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.

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

Avera advisors will use various internal and external methods to determine an appropriate investment strategy. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program. We also use research provided by third parties in determining the type of investments that should be held in client portfolios.

We may use one or more of the following methods of analysis and/or investment strategies when providing investment advice to you:

- Fundamental Analysis – Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

- Technical Analysis – Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

- Short Term Purchases – Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

- Trading - Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss. We do not anticipate using a frequent trading strategy. However, in the event we recommend this strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account's broker-dealer costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.

- *Margin Transactions* – margin strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker-dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker-dealer of your account. The securities purchased in such an account are the broker-dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin Account that may be established as a part of our advisory services and held by your broker-dealer. These risks include the following:
    1. You can lose more funds than you deposit in your margin account.
    2. The broker-dealer can force the sale of securities or other assets in your account.
    3. The broker-dealer can sell your securities or other assets without contacting you.
    4. You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
    5. The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
    6. You may not be entitled to an extension of time on a margin call.

- *Option Writing* – an option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e., the "exercise price") by exercising the option before its specified expiration date. Options giving you the right to buy are called "call" options. Options giving you the right to sell are called "put" options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Investing in securities involves risk of loss that Clients should be prepared to bear.

The investment advice provided along with the strategies suggested by Avera will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

Recommendation of Particular Types of Securities: As disclosed under the "Advisory Business" section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

Loss of Value: There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

Interest Rate Risk: Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

Credit Risk: Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Foreign Exchange Risk: Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

Concentrated Position Risk: Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

Preferred Securities Risk: Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issue's after-tax profits, while bond interest is paid before taxes.

Risks Associated with Investing in Equities: Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Risks Associated with Investing in Mutual Funds: Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

Risks Associated with Investing in Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Inverse Funds: Inverse mutual funds and ETFs, which are sometimes referred to as "short" funds, seek to provide the opposite of the single-day performance of the index or benchmark they track. Inverse funds are often marketed as a way to profit from, or hedge exposure to, downward moving markets. Some inverse funds also use leverage, such that they seek to achieve a return that is a multiple of the opposite performance of the underlying index or benchmark (i.e., -200%, -300%). In addition to leverage, these funds may also use derivative instruments to accomplish their objectives. As such, inverse funds are highly volatile and provide the potential for significant losses.

Municipal Securities Risk: The value of municipal obligations can fluctuate over time. Value may be affected by adverse political, legislative and tax changes. Financial developments affecting the municipal issuers affect the value as well. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues; revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

Risks Associated with Investing in Options: Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Recommendation of Other Advisers: In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Pandemic Risk: Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

Cryptocurrency Risk: Cryptocurrency (e.g., bitcoin and ether), often referred to as "virtual currency", "digital currency," or "digital assets," is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm's clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm's clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client's investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

Environmental, Social, and Governance Investment Criteria Risk: If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio's ESG investment criteria may affect the portfolio's exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser's ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

Risks Associated with Investing in Inverse and Leveraged Funds: Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

Risks Associated with Investing in Buffer ETFs: Buffer ETFs are also known as defined-outcome ETFs since the ETF is designed to offer downside protection for a specified period of time. These ETFs are modeled after options-based structured notes, but are generally cheaper, and offer more liquidity. Buffer ETFs are designed to safeguard against market downturns by employing complex options strategies. Buffer ETFs typically charge higher management fees that are considerably more than the index funds whose performance they attempt to track. Additionally, because buffer funds own options, they do not receive dividends from their equity holdings. Both factors result in the underperformance of the Buffer ETF compared to the index they attempt to track. Clients should carefully read the prospectus for a buffer ETF to fully understand the cost structures, risks, and features of these complex products.

Structured Notes: Below are some specific risks related to the structured notes recommended by our firm:

- *Complexity*: Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied by the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and/or fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with our firm.
- *Market risk*: Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, and/or market volatility.
- *Issuance price and note value*: The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now generally disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the

difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring, and/or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

- *Liquidity*: The ability to trade or sell structured notes in a secondary market is often very limited, as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on securities exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date or risk selling the note at a discount to its value at the time of sale.
- *Credit risk*: Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management person(s) have a history of reportable disciplinary events.

Other Financial Industry Activities or Affiliations - Item 10

Avera provides the following non-investment advisory services to Clients:

- Family Office Services: These services include tax planning, insurance planning, multi-generational wealth transfer planning, family foundation management, philanthropic planning and general family governance.
- Family Coaching Services: These services include life transition planning, family business and wealth assessment, transition planning and beneficiary coaching.
- Corporate Consulting Services: These services include business succession planning, executive coaching, mergers and acquisitions advice and talent acquisition advice.

Clients are advised that the fees paid to the firm for advisory services are separate and distinct from fees earned for non advisory services. Clients to whom the firm offers advisory services are informed that they are under no obligation to utilize our firm for these services. Currently, Avera expects to generate about 10% of its revenue from these non advisory services.

Avera is a licensed insurance agency with the State of Colorado. In this capacity, the firm sells insurance products to clients and is compensated in the form of commissions for these activities. Certain Executive officers and other Associated Persons of Avera are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. The firm expects that clients to whom it offers advisory services may also become insurance clients. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Associated Persons and the firm for placing the client in insurance products. This practice presents a conflict of interest because our firm and persons providing investment advice on behalf of our firm, who are insurance agents, have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. Avera has policies and procedures that require all IARs to uphold their fiduciary responsibilities towards clients. In any event, all client transaction costs will be disclosed to the client. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

Recommendation of Other Advisors

We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In cases where the recommended third party is The Pacific Financial Group, Inc., Avera will share in the compensation received by the third-party investment adviser. As such, we are incentivized to recommend investment advisers from whom we receive solicitor/referral fees as opposed to other investment advisers from whom we do not receive such fees. We conduct ongoing due diligence on investment advisers we recommend. In the event that a recommended investment adviser is not meeting the standards that we believe meet your needs, we will seek other investment advisers that we believe will better fit your specific management needs.

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

Description of Our Code of Ethics

Avera has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Avera's policies and procedures developed to protect clients' interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Avera's Code of Ethics is available upon request to our firm at (720) 724-2170.

Personal Trading Practices

At times, Avera and/or its related persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. Avera and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

Brokerage Practices - Item 12

Clients invested in the Managed Accounts Program and the GoalLink Program developed by SEI Investments Management Corporation ("SIMC"), are required to custody accounts with SEI Trust Company, a wholly owned subsidiary of SEI Investments. Trades executed through SEI for SEI funds are placed free of charge, as an accommodation to Clients. However, accounts may be subject to an annual custodial fee. The exact fee will be listed in SEI's account opening document.

Avera has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

Your Custody and Brokerage Costs
Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

Research and Other Soft Dollar Benefits
Although not considered "soft dollar" compensation, Avera may receive some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least $10 million of our clients' assets in accounts at Schwab. If we have less than $10 million in client assets at Schwab, Schwab may charge us quarterly service fees. Below is a detailed description of Schwab's support services.

Services that Benefit You: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You: Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

In recommending a broker dealer, Avera will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Avera may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

Brokerage for Client Referrals
We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

Directed Brokerage
In very limited circumstances, and at our sole discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. In the event that a client directs Avera to use a particular broker/dealer, the firm may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances, a disparity in commission charges may exist between the commissions charged to clients who direct the firm to use a particular broker/dealer and those that do not.

Trade Aggregation/Block Trading
We combine multiple orders for shares of the same securities purchased for advisory accounts we manage on a discretionary basis whenever possible and where in the clients' best interests (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. In rare instances, such as partial fills or limited shares of thinly traded or illiquid stocks, it may be necessary to place block trades for only small groups of clients over a period of time. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Review of Accounts - Item 13

Portfolio Management Account Reviews
Avera monitors directly managed account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Factors that may trigger additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon client request.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Avera will also provide reports on an as needed basis.

Client Referrals and Other Compensation - Item 14

As described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Avera and our Associated Persons have ongoing business relationships with various third-party vendors and product sponsors. From time to time, these vendors provide advertising development, marketing assistance, software and other services that are designed to assist our firm primarily with client acquisition and servicing. In addition, Associated Persons of our firm attend training and/or due diligence meetings sponsored by such vendors. Some of the products and services made available by such vendors benefit our firm, but may not benefit our clients. These products or services assist us in managing and administering client accounts, including clients who have no direct relationship with these vendors. Other services made available by such vendors are intended to help us manage and further develop our business enterprise. As part of our fiduciary duties to clients, our firm endeavors at all times to put the interests of our clients first. You should be aware, however, that our firm's receipt of economic benefits in and of itself creates a conflict of interest because it gives our firm an incentive to work with vendors that provide such services over vendors that provide no additional services.

Avera does not currently have any client referral or compensation agreements with outside parties as defined by Rule 206(4)-3 of the Investment Advisers Act of 1940 and similar state laws, rules, and regulations.

Compensation for Client Referrals
Ramsey Solutions –SmartVestor™
We have entered into an advertising agreement with Ramsey Solutions ("RS") whereby RS provides online advertising services in exchange for a flat monthly marketing fee. The services include advertising space on RS's web-based SmartVestor™, lists assigned to particular geographic markets, use of the SmartVestor™ marks in advertising, and the provision of other marketing materials. Potential clients using the SmartVestor™ site may select and choose to contact our Associated Persons for services.

Recommendation of Other Advisors
We may recommend that you use a third-party investment adviser or program as part of our asset allocation and investment strategy. In cases where the recommended third party is The Pacific Financial Group, Inc., Avera will share in the compensation received by the third-party investment adviser. As such, we are incentivized to

recommend investment advisers from whom we receive solicitor/referral fees as opposed to other investment advisers from whom we do not receive such fees. We conduct ongoing due diligence on investment advisers we recommend. In the event that a recommended investment adviser is not meeting the standards that we believe meet your needs, we will seek other investment advisers that we believe will better fit your specific management needs.

Custody - Item 15

Avera is deemed to have custody of client assets because of the fee deduction authority granted by the client in the Advisory Agreement.

You will receive account statements at least quarterly from the broker-dealer or other qualified custodian holding your account asset. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy. Avera will also provide performance report on a regular basis. The client is urged to compare any statement or report provided by Avera with the account statements received from the account custodian. There can be minor discrepancies between the Avera report and the custodial statements due to different pricing and data sources, and settlement dates/times.

With respect to third party standing letters of authorization ("SLOA") where a client grants us authority to direct custodians to disburse funds to one or more third party accounts, we are deemed to have custody pursuant to Rule 206(4)-2 (the "Custody Rule"). We have taken steps to have controls and oversight in place to comply with the no-action letter issued by the SEC on February 21, 2017 (the "SEC no-action letter"). We are not required to comply with the surprise examination requirements of the Custody Rule if we comply with the representations noted in the SEC no-action letter. Where our firm acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC no-action letter. Additionally, since many of the representations noted in the SEC no-action letter involve the qualified custodian's operations, we will collaborate closely with our custodian(s) to ensure that the representations are met.

Investment Discretion - Item 16

Avera offers Portfolio Management Services on a discretionary and non-discretionary basis. Clients must grant discretionary authority in the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, Avera does not have the ability to withdraw funds or securities from the client's account. The client provides Avera discretionary authority to execute trades on behalf of the client's account via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

In a non-discretionary account, an Associated Person of Avera recommends the purchase or sale of securities for review and approval by the Client. Avera will only purchase or sell securities which have been approved by Clients in advance.

Voting Client Securities - Item 17

Avera does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page of this brochure.

Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Avera', financial condition. Avera does not require the prepayment of over $1,200, six or more months in advance. Additionally, Avera has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

Requirements of State-Registered Advisers - Item 19

This section is not applicable because our firm is SEC registered.

Avera Capital Wealth Management Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P") and/or comparable state laws. Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

INFORMATION WE COLLECT

Avera LLC must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with applicable federal and/or state laws, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

ACCURACY

Avera LLC strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we urge our clients to provide feedback and updated information to help us meet our goals.

If you have any questions on this privacy policy notice, please contact us at (720) 724-2170.