



**Cozad Asset Management, Inc.
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***Part 2 of Form ADV
BROCHURE***

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This brochure provides information about the qualifications and business practices of Cozad Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 217.356.8363. 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 Cozad Asset Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply or denote an increased level of skill or training.



The following items are material changes from our prior Part 2 of Form ADV Brochure dated March 2022:

- 1) As disclosed on page 6, Cash and Cash Equivalents, Cozad has added information regarding a conflict of interest for clients who are not billed on cash and/or cash equivalents.
- 2) As disclosed on page 4, Unified Managed Accounts and Separately Managed Accounts, Cozad provides investment advisory services on a discretionary basis for Unified Managed Accounts (“UMAs”) and Separately Managed Accounts (“SMAs”).
- 3) As disclosed on page 5, Sub-adviser/Money Manager Review, Cozad has started a relationship with one or more sub-advisers or money managers.
- 4) As disclosed on page 13, under Other Financial Industry Activities and Affiliations, Cozad may act as an adviser to a broker/dealer or its affiliate to allow us to service broker/dealer annuity products. Cozad may receive an advisory fee for its services to the broker/dealer or its affiliate for services rendered.

The following items are material changes from our prior Part 2A of Form ADV Brochure dated March 2023.

- 1) As disclosed on page 13, Custody, Cozad has custody of client assets for certain clients.



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4. Advisory Business

Cozad Asset Management, Inc. (Cozad) was founded in 1972, and registered with the Securities and Exchange Commission as an investment adviser in 1982. Our investment philosophy is guided by diversification, a disciplined approach to the purchase and sale of securities, and the flexibility to make sure each portfolio is as unique as our clients. Our goal is to provide the highest quality, personalized services and advice.

As of 12/31/2022, the firm is owned by 36 shareholders, with interests ranging from .06% to Mr. George Shapland's 25.90% interest. Seventeen of the firm's employees are also shareholders holding total ownership of 35.29%.

Services offered include:

- a. Continuous advisory services based on an individual client's goals and objectives. We advise individuals, corporations, partnerships, trusts, limited liability companies and investment companies on investments and offer recommendations on specific investments, the purchase and sale of securities, and the management of client resources. Our investment and security selections are subject to the stated objectives and strategies of each client. Clients may impose restrictions on investing in certain securities.
- b. Financial planning, consisting of a complete analysis and evaluation of a client's investment goals, current financial condition and retirement plans.
- c. Consultation on life, disability, health, accident and/or long term care insurance needs.
- d. Subadvisor for other investment firms.

Effective September 11, 2021 Cozad changed its recommended broker-dealer from M Holding Securities, Inc. to Pershing Advisor Solutions LLC (PAS). Pershing, LLC will remain as primary custodian for client assets.

Unified Managed Accounts and Separately Managed Accounts:

Cozad provides investment advisory services on a discretionary basis for Unified Managed Accounts ("UMAs") and Separately Managed Accounts ("SMAs"). Cozad may provide one or more of its model portfolio strategies to a "Platform Provider" such as Envestnet, in which RIA has entered into an agreement as a model manager with the Platform Provider. Other financial advisers have or may, in the future, enter into agreements with Cozad. Cozad provides access to some or all of our model portfolio strategies via the Platform Provider's model management system for which Advisors and Clients can then select for use in a Client Account. For UMA/SMA managed accounts, Cozad is solely responsible for the management of the model portfolio strategies provided to the Platform Provider which have been selected for use in a Client Account by Advisor and/or Client. By utilizing one or more of Cozad's model portfolio strategies via a Platform Provider; the services Cozad provides UMA/SMA managed accounts is as follows; portfolio design, asset allocation, risk management and security selection. UMA/SMAs accounts are managed based upon the selected portfolio's stated investment strategy, philosophy and objective, rather than on each Client's individual needs.

Discretionary Authority:

Our clients may choose to grant us discretionary authority, but it is not required. As of 12/31/22, \$1,592,681,530 (97.21%), of our clients' assets were managed on a discretionary basis, and \$45,728,699 (2.79%), were managed on a non-discretionary basis.



Written Acknowledgement of Fiduciary Status:

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are 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. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Sub-adviser/Money Manager Review:

Cozad utilizes or recommends the services of sub-advisers or money managers for account/portfolio management services. Prior to referring clients to any such entity, Cozad will conduct a due diligence review of the adviser or money manager. The review may consist of a presentation by the sub-adviser to Cozad, additional gathering of materials regarding the sub-adviser, including its Form ADV, registration status of the firm, etc. Once all information has been collected, Cozad will review the materials and determine if the sub-adviser/money manager should be utilized for account management services.

Records of the review and final decision will be maintained in Cozad's compliance files. If Cozad determines to utilize the sub-adviser/money manager, then Cozad will periodically conduct a due diligence review to assess whether Cozad should continue to recommend or select the sub-adviser or money manager.

5. Fees and Compensation

Our fees:

Fees for continuous asset management services are negotiable, and generally range from .10 % to 1.70% annually and will vary with the size, nature and asset mix of the account. Fees are billed on calendar quarters and in arrears, and an invoice will accompany your quarterly report. You have the option of paying the invoice upon receipt, or instructing your account custodian to debit your account to pay the fees. Fees are generally calculated on the market value of assets managed on the last business day of each calendar quarter. Please refer to our Investment Management Agreement for more details. Fee arrangements for investment companies may differ in the billing cycles and methods of collection.

- a. The fee for the comprehensive financial and estate plan is based upon an estimate of time required and can generally range from \$75 to \$2,500, depending upon the complexity. These fees are generally payable upon delivery of the completed plan.
- b. Fees for tax preparation services vary depending on an estimate of the time required and expenses incurred, but generally range from \$100 to \$10,000. Fees are billed in arrears.
- c. Fees for use of our composite models by other firms and/or platforms.

Other fees you may be paying:

The purchase and sale of securities will normally incur transaction costs including commissions and/or trading costs. Custodians of brokerage accounts, including IRAs and 401(k) plans, will generally charge maintenance and/or services fees. Clients are generally responsible for their own transaction costs and custodian fees. Please note Section 9, "Brokerage Practices", on page 6 for more detail.



Mutual Fund fees:

All fees paid to Cozad for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (“Funds”) to their shareholders as described in each Fund’s prospectus. These fees will generally include a management fee, other Fund expenses, and a possible distribution fee (also known as a 12b-1 fee). If the Fund also imposes sales charges/commissions, these will generally be suppressed or, if for some reason not suppressed, credited back to your account. In no case should Cozad receive any sales charges/commissions or marketing fees (also known as 12b-1 fees) associated with Fund transactions.

A client could invest in a mutual fund directly, without our services. When purchasing directly with a mutual fund company, the client would not receive the services provided by Cozad which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to the client’s financial condition and objectives. In all cases, the client should review the fees charged by funds and the fees charged by Cozad to fully understand the total amount of fees to be paid, and thereby evaluate the advisory services being provided. Cozad will only utilize the lowest cost available mutual fund share class for a client’s investment advisory account. Note that the availability of a lower-cost share class is fund specific and may not be available for investment due to investment minimums and other fund-specific requirements. In the event a mutual fund is transferred in from another investment firm and is not the lowest cost share class, Cozad, where possible and applicable, will seek to convert (on a tax-free basis) such mutual fund holding to the lowest cost available mutual fund share class.

Any ticket, trading or service charge assessed by the custodian in connection with mutual fund trades in client’s accounts will be paid by clients. The custodian will retain the entirety of such ticket, trading and service charges. No transaction-based compensation will be paid to Cozad, its managers or its advisors in connection with mutual fund trades in advisory client accounts.

Exchange Traded Fund (ETF) Fees:

ETFs have characteristics of both mutual funds and common stocks. They hold a pool of investments, charge a management fee, and are managed similar to a mutual fund. However, they trade as a common stock in that the price fluctuates during the trading day, they are not required to distribute capital gains annually and they cannot be purchased directly from an ETF company but instead must be purchased through a stock exchange. There may be other differences that set them apart as distinct securities different from individual stocks or mutual funds so this list of differences is not to be considered complete and exhaustive.

All fees paid to Cozad for investment advisory services are separate and distinct from the fees and expenses charged by ETFs to their shareholders as described in each ETF’s prospectus. These fees will generally include a management fee and/or other expenses. Cozad has negotiated a Schedule of Charges with PAS such that there is no ETF ticket or trading charge.

Stocks:

Like ETFs, Cozad has negotiated a Schedule of Charges with PAS such that there is no ticket or trading charge.

Fees Associated with Option Trades:

The custodian may assess a ticket or trading charge to the client on a per-trade basis when trading options. The entirety of any ticket or trading charges will be retained by the custodian. No transaction-based compensation will be paid to Cozad Affiliates in connection with option trades in advisory client accounts.

Cash and Cash Equivalents:

There are instances where the advisor may have an agreement with a client to charge no fee, or a lower fee on cash and/or cash equivalents. This results in a conflict of interest as Cozad would benefit from moving cash and/or cash equivalents into an asset class that has a higher billing rate. Cozad is aware of this conflict and will maintain cash and/or cash equivalents consistent with its clients’ wishes, objectives and risk profile to mitigate the conflict of interest.



Other potential areas of consideration:

PAS' clearing firm, Pershing, operates a sweep program that automatically purchases, or sweeps, the uninvested cash balance in your brokerage accounts to a money market mutual fund (Money Fund) as selected and instructed in writing by Cozad. The sweep feature also automatically returns balances in Money Funds to your brokerage accounts when you need them to cover purchases of securities, withdrawal requests and other debits. The PAS Cash Sweep Program (Program) is the array of Money Funds available as sweep options.

PAS and Pershing earn compensation based on the amount of money in the Program, including your money. PAS and Pershing earn higher compensation on some Money Funds versus others. Further, PAS and Pershing will earn greater compensation from the Program (and the rate of interest your account earns will be reduced) if your Investment Advisor selects a custody fee arrangement that results in reduced custody fees to PAS.

Please see the Terms and Conditions included with your Account Application and Agreement for additional information on the Cash Sweep Program and Investor Cash.

It is your sole right to direct which broker is to be used to effect securities transactions and you are under no obligation to implement any recommendation made, or to use PAS' brokerage services.

Clients who elect to use PAS receive discounted brokerage commissions, although commissions may be higher than available through some other brokerage firms. No transaction-based compensation will be paid to Cozad Affiliates in connection with securities transactions in advisory accounts.

As stated in our Compliance and Supervisory Procedure Manual, a portfolio manager's supervisor will monitor trading activities in each account to ensure that securities purchased or sold are consistent with the client's investment objectives. The supervisor also looks for any evidence of excessive trading or conflicts of interest between the manager and the client. If it appears any transactions are inconsistent with a client's stated objectives or are frequent in nature, the matter will be brought to the attention of the Chief Compliance Officer ("CCO") who will investigate the circumstances and may, at his discretion, consult the client.

6. Performance-based Fees

Cozad does not bill based on performance; therefore, no performance-based fees are assessed by Cozad.

7. Types of Clients

Our clients include individuals, trusts, charitable foundations and organizations, municipal retirement plans, corporations, investment companies and retirement plans. We generally require a minimum account size of \$100,000, but this minimum may be waived under special circumstances.

8. Methods of Analysis, Investment Strategies and Risk of Loss

Our investment philosophy is guided by diversification, a disciplined approach to the purchase and sale of securities, and the flexibility to address each client's goals. We tailor portfolios based upon each client's goals and objectives. We review the client's current holdings, assess risk tolerance and develop an asset allocation strategy if the client is seeking something other than one of our individual portfolio strategies as discussed below.

We believe diversification is essential to reduce risk and volatility. We consider economic sectors, countries, industries and capitalization levels in selecting stocks. Likewise, we suggest laddering maturities and considering issues and geographic regions when selecting bonds for portfolios. Emotions sometimes tend to distort effective decision making; buying at the highs and selling at the lows. Our investment philosophy helps mitigate these forces. Being privately owned and managed, we are not limited to certain securities. However, private placement products and insurance products are limited to those approved by PAS or other broker dealer chosen by the client. Our investment decisions are made entirely in-house. Investing in securities involves risk of loss that clients should be prepared to bear.



Basic Asset Allocation:

Our approach to basic asset allocation is to set guidelines for the amount of risk for each individual client by determining how much of a portfolio will be invested in the areas of stocks, bonds and cash. The allocation we recommend will be based upon our meetings with each client and a review of their assets and circumstances as we attempt to determine their risk tolerance as an investor. This is key to creating a portfolio that matches the client's needs and long-term financial goals. The principal of asset allocation is to spread investments across multiple asset classes to maximize your returns while minimizing your risks.

Large Cap Core Strategy:

Emphasis is on high quality, large cap global companies available at reasonable price/earnings ratios with a longer term, lower turnover objective. The benchmark is typically the S&P 500. The equity analysis concentrates on price/earnings and price/cash flow ratios, return on equity, earnings growth, price momentum and other financial and market data. We believe the real value of a company rests with its cash flow, not reported earnings, and our analysis focuses on each company's cash generating ability. It is from free cash flow that dividends are paid, debt is reduced and capital projects are funded. Risks include general economic risk, market risk and company risk.

U.S. Equity Income Strategy:

The strategy utilizes 30 – 60 dividend-paying stocks, selected from a wide range of sectors and industries. The benchmark for this strategy is the S&P Midcap Value Index. A top-down approach focuses on buy and sell decisions based on shifts in the U.S. economy, fundamental financial analysis, and quality of management. Risks of this portfolio style include company risk, market risk and interest rate risk.

International Equity Income Strategy:

The strategy consists of 50 – 70 dividend-paying stocks from countries across the globe, excluding the United States, and representing a wide range of sectors and industries. Its benchmark is the S&P Global ex-US index. This approach focuses on overweighting countries and regions with relatively strong economies, and also overweighting industries and sectors that we anticipate doing well in the near-term economic environment. Buy and sell decisions are based on changes in world economies and fundamental, company-level research.

There are special risks associated with international investing, including currency fluctuations, political and economic uncertainty, foreign taxation, and different accounting standards. Other risks of this style include company risk, market risk, interest rate risk and governmental/fiscal policy related risk.

Enhanced Index Strategy:

This is a smart/strategic beta strategy that seeks to offer benefits from both passive and active investing approaches. Like passive investing, the strategy employs a systematic, long-term, low-turnover approach to investing in low-cost, index-based investment products. Like active investing, the strategy employs research-based investment selection. Its benchmark is the S&P 500. The core of the Enhanced Index Strategy blends together five investment characteristics (factors) – value, quality, low volatility, momentum, and small size – using ETFs comprised of the top-ranking stocks for each factor. The result is a well-diversified, low-cost and tax-efficient ETF portfolio.

Fixed Income Strategy:

The fixed income strategy primarily seeks current income while weighing the risks associated with bonds and other fixed income investments. We seek to invest in fixed income vehicles with a primary goal of capital preservation; total return is secondary. Typically, we do not seek the highest yields as our allocation to fixed income is predominantly designed for safety of principal. Ideally, the base of most fixed income portfolios is a laddered portfolio of short to intermediate maturities of high quality bonds or CDs. Each account may be tailored to contain a certain element of risk. Based upon the circumstances that prevail in the credit markets, the fixed income strategy is flexible and can adjust to various market conditions.

Risks include: credit risk if the issuer of the debt cannot repay the principal and interest; risk that if interest rates rise, the value of bonds may be less; and risk to a fixed income portfolio may include inflation risk where interest earned may not keep pace with the rate of inflation.



There are additional inherent risks and price fluctuations associated with investing in a portfolio of stocks, bonds and mutual funds. Your investment principal will fluctuate with the market so your portfolio, when liquidated, may be worth more or less than your original cost, and you should be prepared to assume that risk. Each strategy utilized has risks as listed below:

- *Asset Allocation*: Rather than focusing primarily on securities selection, there is an attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client will not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income and cash will change over time due to stock and market movements, and if not corrected, will no longer be appropriate for the client's goals.
- *Diversification versus Concentration*: Diversification within a portfolio of investment strategies, securities or managers will tend to reduce the overall risks and returns of a portfolio when one strategy or security does not perform as well as another. Concentration within a portfolio of investment strategies, securities or managers will tend to increase the overall risks and returns of a portfolio since any gains or losses in a particular holding will not be buffered by other holdings that perform differently.
- *Long-Term Purchases*: A recommendation to purchase securities with the idea of holding in the client's account for a year or longer. Typically, this strategy is used when there is a belief the securities are currently undervalued, the client wants to take advantage of long-term tax rates, or, there is a desire to have exposure to a particular asset class over time, regardless of the current projections for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, the client will not take advantage of short-term trading strategies that could be profitable, or that a security will decline sharply in value before the decision to sell.
- *Use of Options*: A client is permitted to use options as an investment strategy if they direct their adviser to do so. Advisers do not utilize these strategies without first discussing with a client. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are Calls and Puts:

- A Call gives a client the right to buy an asset at a certain price within a specific period of time. A client utilizing this strategy will buy a call if they believe the stock will increase substantially before the option expires or sell a Call if they believe the stock will decrease substantially before the option expires.
- A Put gives a client the right to sell an asset at a certain price within a specific period of time. A client will buy a Put if they believe the price of the stock will fall before the option expires or sell a Put if they believe the stock price will rise before the option expires.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Securities investments are not guaranteed and clients may lose money on investments. Clients should work closely with their Financial Professionals so that he/she has a complete understanding of client's tolerance for risk. Clients seeking to reduce risk in their portfolio are encouraged to discuss diversification in their account, the use of Asset Allocation strategies, the purchase of Puts related to securities they own, and other strategies with their Financial Professional. There is no guarantee that any recommendations or asset management approach will meet a client's investment objective over any given timeframe. The following types of risks may significantly affect the performance of a client's portfolio:



- *Equity Risk:* Strategies that invest in equities involve the risk that the value of equity securities, such as common stocks and preferred stocks, decline due to general market conditions, which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.
- *Foreign Securities Risk:* Strategies that invest in international securities involve special additional risks, including: currency risk; political risk; risks associated with varying accounting standards; and the risk that adverse legal, political, or economic developments, as well as international trade, trade barriers, and exchange controls adversely affect the securities of companies located in such countries. Investing in emerging markets may accentuate these risks.
- *Small Cap Risk:* Strategies that invest in small-capitalized companies involve risks, including relatively low trading volumes, a greater degree of change in earnings, and greater short-term volatility. Smaller companies typically have a higher risk of failure and are not as well established as larger blue-chip companies.
- *Value Risk:* Strategies that invest in value stocks can perform differently from the market as a whole and from other types of stocks and can be more volatile than other types of stocks.
- *High Yield Risk:* Strategies that invest in high-yield bonds invest in lower-rated debt securities (commonly referred to as junk bonds) and involve additional risks because of the lower credit quality of the securities in the portfolio. Clients should be aware of the possible higher level of volatility and increased risk of default.
- *TIPS Risk:* Strategies that invest in Treasury Inflation Protected Securities (“TIPS”) involve risks, including risk of loss in periods when “real” interest rates (current interest rate minus inflation rate) change substantially. TIPS are bonds issued by the U.S. Treasury that have a fixed rate of interest and principal that adjusts according to changes in the Consumer Price Index (“CPI”).
- *Municipal Risk:* Municipal investment strategies can be affected by adverse tax, legislative or political changes and the financial condition of issuers of municipal securities.
- *Real Estate Risk:* Strategies that invest in Real Estate Investment Trusts (“REITs”) or real estate-linked derivative instruments may subject a client to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.
- *Fixed Income Risk:* Strategies that invest in fixed income securities are subject to the risk that clients may lose all or some of their principal investment if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations. Additionally, clients are subject to the risk that the resale value of a fixed income security will decline because of an increase in interest rates; similarly, a mutual fund holding fixed income securities will be adversely impacted with increasing interest rates with longer than average bond maturity dates more sensitive to changes in interest rates than a fund with shorter bond maturity dates.
- *Liquidity Risk:* Strategies that involve investing in securities with limited trading volumes or no ability to trade may prevent the client from being able to liquidate the security if they have a change in circumstances, goals, or upon the advice of their financial professional. We encourage you to discuss your liquidity needs with your financial professional before investing in securities with limited liquidity.



- *Cybersecurity Risk*: Intentional cybersecurity breaches include: unauthorized access to systems, networks or devices (such as through “hacking” activity), infection from computer viruses or other malicious software code and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Unintentional incidents such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws) can occur. Cyber incidents have the ability to cause disruptions and impact business, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties or reputational damage. Such incidents could cause Cozad or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or significant financial loss. In addition, such incidents could affect the securities in which M Securities invests, and thereby cause a loss in value.

See Section 10, “*Review of Accounts*”, for details of how accounts are reviewed.

9. Disciplinary Information

Cozad agreed to the entry of an Order by the U.S. Securities and Exchange Commission (the “SEC”) that was instituted on April 17, 2020. The Order relates to Cozad’s and certain of its investment advisory representatives’ purchase, recommendation, and holding of certain mutual fund share classes and the disclosure of the conflicts of interest related to the selection of these share classes in investment advisory accounts. The SEC’s Order finds that from January 1, 2014 through October 31, 2018, Cozad purchased, recommended or held for advisory clients mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds that were available to those clients, and did not adequately disclose in its Form ADV or elsewhere the conflicts of interest related to the selection of these share classes.

The SEC’s Order also finds that Cozad failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Investment Advisers Act of 1940 (Advisers Act) and the rules thereunder in connection with its mutual fund share class selection practices. As part of the settlement terms of the Order, the SEC found that Cozad willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, and ordered Cozad to pay disgorgement, prejudgment interest, and a civil penalty, to compensate affected investors, and to complete certain undertakings. Cozad consented to the entry of the Order without admitting or denying the SEC’s findings.

As a result, Cozad has taken the following actions:

- Notified affected investors
- Updated Form ADV disclosures
- Updated company policies and procedures
- Identified clients eligible to convert to a lower-cost share classes

Cozad has already converted all clients into the lowest cost share class available. Effective November 1, 2018, Cozad and its advisors no longer collect 12b-1 fees from mutual funds held in an investment advisory account.

10. Other Financial Industry Activities and Affiliations

- We have a minority interest in a savings and loan holding company, National Advisors Trust Holdings, Inc., which has formed a federally chartered trust company, National Advisors Trust Company (“NATC”). The trust company provides an alternative to traditional trust service providers. We sometimes refer clients to NATC for trust services. You are under no obligation to use the trust services of NATC. Because of our affiliation through ownership, we have an incentive to refer you to NATC since an increase in its business will increase the value of our minority interest over time.
- We own Managed Tax Services, LLC, (“MTS”) which performs tax preparation services. We may refer clients to MTS, but you are under no obligations to use their tax preparation services.
- The company and some of our employees are also licensed insurance agents holding agency or agent appointments with several different insurance companies.



- We may recommend other investment managers as an adviser and may be paid a solicitation fee for such referral. Such solicitation fee is fully disclosed to the client.
- We may manage certain employer retirement accounts on behalf of the client/employee. This is done through a third-party platform for which we pay a fee for use of.
- We may act as an advisor to a broker/dealer or its affiliates for a management fee. We have an arrangement with a broker/dealer affiliate to advise on certain broker/dealer annuities held by our clients where we may be compensated with an asset management fee.

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

In compliance with Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted and maintain a written Compliance and Supervisory Procedures Manual and attendant Code of Conduct/Ethics, which is designed to prevent violation of the Act and assists in complying with the provisions of the Act. The manual is not construed as all inclusive, but is intended to serve as a guide and presents best practices in conducting and supervising our daily investment advisory business. A copy of our Code of Ethics is available to you upon request.

We and/or our employees and affiliates may buy or sell securities for investment purposes that either are or have been recommended to you. We have an affirmative duty not to overreach or disadvantage any client, including by executing personal trades ahead of pending client transactions in the same security. Some provisions in our Code of Ethics designed to ensure that the interests of clients are foremost include:

- No employee or affiliate may purchase or sell a security for any account in which they have a beneficial interest, if there is a possible conflict of interest.
- No employee or affiliate may purchase or sell any security that is part of an Initial Public Offering (IPO), or in a private placement vehicle without first obtaining prior clearance from the CCO.
- No employee or affiliate may purchase or sell a security without first obtaining prior clearance from the CCO if the employee or affiliate account is not held through our firm. Trades made in accounts not held through our firm require pre-clearance. The CCO may reject any proposed trade that:
 1. Involves a security being purchased or sold on your behalf, or is being considered for purchase or sale;
 2. Is otherwise prohibited under our internal policies;
 3. Breaches our fiduciary duty to you
 4. Is otherwise inconsistent with applicable law
 5. Creates a conflict of interest or an appearance of it
- In order to avoid any potential conflict of interest, an employee or affiliate personal securities transactions in the same security as that purchased/sold for you will be entered only after completion of all reasonably anticipated Trading in your account.

12. Brokerage Practices

You as the client have sole discretion on the selection of the securities broker-dealer, broker or agent to be used for the execution of all securities transactions for your account, including transactions in individual stocks and options.

We normally suggest PAS as the broker-dealer to execute trades in your advisory account, but you are under no obligation to use them. Clients who elect to use PAS receive discounted brokerage commissions, although commissions may be higher than available through some other brokerage firms. If you elect to use PAS as your broker, you may stop doing so at any time without penalty.

If you prefer to select a broker-dealer other than PAS, Cozad will not be responsible for ensuring best execution by that broker.



Although the majority of our portfolio managers do not bunch, block or aggregate brokerage orders, some of our investment strategies (U.S. Equity Income and International Equity Income) may have their trades aggregated because all specific composite members hold the same approximate percentage of the same securities. The aggregating of the trades result in more equal treatment for each client, as each client receives the same price on a block trade whereas they would not if each trade was placed separately.

In May of 2021, we began providing class action litigation monitoring and securities claim filing services through an independent third party, Chicago Clearing Corporation ("CCC"). You are included in this service unless you choose to opt out. You may change your opt-out election at any time by notifying us in writing. If you participate in this service, CCC will retain 15% of each claim recovery you receive.

Because we are providing this service through CCC, we no longer monitor class action suits or process claim forms on your behalf (whether or not you participate in the service CCC provides). We are not responsible or liable for: (a) any assistance we provide to CCC concerning monitoring or processing class action claims or (b) any CCC act in monitoring or processing such claims

13. Review of Accounts

Our portfolio managers and representatives review each account at least quarterly prior to the delivery of our quarterly statements. At least annually, the portfolio manager will do a more comprehensive review to ensure the portfolio design is consistent with your goals and objectives.

Each calendar quarter we will send you a statement detailing the assets we manage for you. The statement includes information on your unrealized gain/losses and asset allocation mix. We can provide additional information and summaries as you may require.

We recommend you compare our statements with the official statements from the custodian.

14. Client Referrals and Other Compensation

If you are referred to us by a solicitation agent, we may pay a referral fee to them. These fees are fully disclosed in your Investment Management Agreement and are subject to all state and federal regulations.

Cozad may act as a sub-adviser to other firms for certain composites. Cozad will provide information on our products to the other firms and will rotate which firm receives the updated portfolio composition first so no firm is disadvantaged over another. The firms for which we are a subadvisor will pay Cozad a fee for use of our proprietary composites.

15. Custody

We act as custodian for some of our clients. We do not maintain custody over investment accounts for these clients but we may have custody as a result of bookkeeping services offered by Managed Tax Services, LLC. In these cases the client has given the bookkeeper the authority to transfer money between accounts, make payroll tax deposits on their behalf, pay bills on their behalf and/or pay employees by check or direct deposit on their behalf. As such, we are required to have a surprise examination by a Certified Public Accounting Firm registered with the Public Company Accounting Oversight Board (PCAOB). The PCAOB oversees the audit of SEC-registered investment advisors in order to protect the public interest in the preparation of informative, accurate and independent audit reports.

Although not part of the PCAOB examination, we do have custody of client funds solely for the reason of deducting management fees if the client has signed a standing letter of authorization allowing us to do so which is an exception to the SEC rule on custody of client assets.

In addition to the quarterly reports we provide, you will also receive a statement directly from the broker or other qualified custodian of your account assets. You should carefully review both statements and compare the asset listings for your own protection.



16. Investment Discretion

You may choose to grant us discretionary authority to initiate transactions for your account by so noting in your Investment Management Agreement. You will still receive copies of all trade confirmations directly from your broker. You have the right to rescind the discretionary authority at any time. If you do not choose to grant discretionary authority, we will obtain specific authorization from you to initiate any transactions. You may change your selection at any time by giving us written instructions. In either case, you are under no obligation to implement any recommendation we may make.

17. Voting Client Securities

As stated in our Proxy Voting Disclosure, we do not generally accept any authorization or responsibility, implied or explicit, to vote proxies on your behalf. We believe that you should keep the duty for voting your proxies. We will send you a copy of our Proxy Voting Disclosure each year. You will receive a company's proxy or other solicitation directly from your broker/custodian or transfer agent. We do not offer advice or take any action with respect to these proxies. In certain, very limited, instances we may accept a client request to vote their proxies, in which case we will provide you with our full policy and procedures for Proxy Voting. You may request a summary report on the contents of your proxy voting file at any time.

18. Financial Information

We do not require prepayment of any fees, nor do we have custody of your funds, and therefore have no financial disclosures to be included.

