Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of XML Financial Group (hereinafter "XML" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at (301) 770-5234. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

XML is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about XML is available on the SEC's website at www.adviserinfo.sec.gov. You may retrieve information by searching for "XML Financial Group".

Item 2. Material Changes

This section addresses material changes that were made to the brochure since the last annual update on May 3, 2020, providing a summary of such changes. Pursuant to SEC rules, clients will receive a summary of material changes to this and subsequent brochures within 120 days of the close of XML's fiscal year ending December 31. Other ongoing disclosure information about material changes will be provided as necessary. A complete brochure will be provided based on significant changes and is available upon request at any time, without charge.

- Updated the name of our affiliated broker dealer, XML Securities, LLC. *Refer to Item 4. Advisory Business.*
- Added description how XML communicates referral arrangements with respective clients. *Item 14 - Client Referrals and Other Compensation.*
- Made other edits where necessary to correct grammar or punctuation, to provide clarification to improve understanding of the contents of the brochure.

Item 3. Table of Contents

Item 4. Advisory Business

XML Financial Group was formed in September 2016. We offer portfolio management services, both on a discretionary and non-discretionary basis, wrap fee programs, financial planning, consulting and retirement plan advisory services.

XML is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, XML is a wholly owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2019, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2019, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADV.

Pursuant to a management agreement between XML, Focus, LLC and BR Financial Associates Management Company, LLC (the "Management Company"), the Management Company has agreed to provide persons to serve as officers of XML who, in such capacity, are responsible for the management, supervision and oversight of XML. The Management Company does not provide investment advisory services.

As of December 31, 2019, the Firm managed $742,900,000 in discretionary assets and $348,900,000 in non-discretionary assets.

While this brochure generally describes the services of XML, certain sections also discuss the activities of our non-advisory employees, officers, partners, directors (or other persons occupying a similar status or performing similar functions) and investment advisor representatives ("IARs") who provide investment advisory services on XML's behalf, together referred to as "Supervised Persons". Some IAR's are *dually licensed financial professionals*, in that they are able to provide investment advisory services on behalf of XML and brokerage products to both clients of XML and non-clients of XML through XML's affiliated broker-dealer, XML Securities, LLC ("BD"), member FINRA/SIPC.
Prior to XML rendering advisory services, we request clients enter into a written agreement with XML setting forth the relevant terms and conditions of the advisory relationship. This can be in the form of an investment advisory agreement ("Advisory Agreement") or, as in the case of hourly or fixed fee services, per a consulting agreement or invoice which

memorializes the mutually agreed upon services. **Please refer to XML Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure ("Wrap Fee Brochure") which provides information about XML's wrap fee program advisory services.**

Portfolio Management Services

XML offers portfolio management services to retail investors and other types of clients, as further described herein under Item 7. We mange client investment portfolios primarily on a discretionary basis using the custodian Fidelity Brokerage Services LLC ("Fidelity"). The Advisory Agreement used for discretionary portfolio management services at Fidelity is the *XML Discretionary Investment Management Agreemen*t ("IMA"). XML's portfolio management services entail allocating, purchasing or selling of various types of securities, such as mutual funds and exchange-traded funds ("ETFs"), as well as individual debt and equity securities in accordance with clients' investment objective indicated at the household level, versus based on the individual account. XML does not offer proprietary investment products. However, we are limited in the types of products that Fidelity will allow clients to hold in their account. Likewise, the IARs are limited in their recommendations to those products in which they are knowledgeable and have a capable understanding of. It is unrealistic for IARs to be proficient in all types of investment products and the respective current product offerings in those categories. Therefore, it is important for you to ask the IAR about XML's general approach to portfolio management, his/her experience and the types of products that XML generally recommends. We have a collaborative culture at XML and when possible like to utilize the unique expertise and knowledge of the IARs to provide an elevated collective knowledge base to further enhance our advisory services.

XML tailors the advisory services to meet the needs of individual clients and portfolio management service in a manner consistent with those needs and objectives. XML conducts an initial consultation with clients to assess their risk tolerance, time horizon, liquidity constraints and other related factors relevant to their financial profile and the management of their portfolios. Therefore, the services provided to clients will vary. Please promptly notify us if there are changes in your financial situation or if you wish to place any limitations on the management of your portfolios. Should you wish to impose reasonable restrictions or mandates on the management of your account, please submit such requests in writing.

XML has a program in place to monitor portfolio management assets under the IMA. This service is included by the asset management fee. Assets may be excluded from the IMA, as identified, and thus the asset management fee, and corresponding services, will not be applied. Excluded assets are not included in monitoring services. XML's monitoring program includes alert subscriptions through Fidelity, that are prompted as needed, ad hoc reports generated by Supervised Persons, regular and scheduled reports run quarterly and reviewed by Supervised Person and IARs. XML reviews the performance of the independent investment managers within separately managed accounts ("Independent Managers") on an annual or as needed basis, and will have the ability to terminate or change an Independent Manager when the Firm believes there is a concern as to the ability of the respective manager to meet the client's investment objective. XML seeks to ensure the Independent Managers' strategies and target allocations remain aligned with the clients' investment objective.

Financial Planning and Consulting Services

XML offers financial planning and consulting services. In general, the unique needs of each client will determine the scope of financial planning services provided by the IAR in connection with the portfolio management services. The IAR and client will discuss these needs and determine the expected level of service together. Factors considered are the amount of assets, the goals of the clients, the complexity of their estate and employment situation and other factors such as trusts, educational and retirement account needs. The IAR can then determine if their service would be nominal and included as part of the IMA fee, or if a separate engagement and fee is warranted in addition to the IMA or if a standalone hourly or fixed fee arrangement is appropriate. A broad range of holistic financial planning services, including the following:

- Retirement Planning
- Cash Flow Planning
- Trust and Estate Planning
- Educational Planning
- Insurance Planning
- Tax Planning

Clients retain discretion over all decisions regarding the implementation of financial planning and consulting recommendations, and are under no obligation to act upon any of the recommendations made by XML. XML does not monitor assets as part of financial planning and consulting services unless specified in writing and agreed to by XML. When agreed upon, the Firm can provide advice about a legacy position or other investment held by the client. Clients may engage XML to manage and/or provide advice on certain investment products that are not maintained under Fidelity, such as assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). These assets are generally maintained at the custodian designated by the product's provider. In these situations, XML recommends the allocation, purchase or sale of client assets among the various investment options available within the product, however it will be at the discretion of the client to act upon and provide instructions to the respective product custodian as the IAR will not have the ability to effect those recommended actions.

Retirement Plan Consulting

XML provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, including the following:

- Plan design and strategy
- Plan review and evaluation
- Executive planning & benefits
- Investment selection

- Plan fee and cost analysis
- Plan committee consultation
- Fiduciary and compliance
- Participant education

As disclosed in an Advisory Agreement, certain of the foregoing services are provided by XML as a "fiduciary" as defined under Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). XML is a fiduciary with respect to investment management services and investment advice provided to ERISA plan clients, including plan participants. As such, XML is subject to specific duties and obligations under ERISA that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest.

Securities-Based Loan/Collateral Account

Securities-Based Loan/Collateral Accounts are an optional account service a client engages in with the custodian. These are established in an agreement between Fidelity Brokerage Services, LLC, National Financial Services, LLC, Goldman Sachs Bank USA and each account owner/client. This type of loan uses the eligible securities in their brokerage account as loan collateral and the proceeds of which cannot be used to purchase, carry or trade securities. This type of loan allows investors access to funds without having to sell their investments for personal reasons, such as loans for education, real estate, taxes or other expenses. Such loans, using a client portfolio as collateral or use of options for leverage, has inherent high risks, are not advisable for the majority of clients, and will depend entirely on other client assets, client risk profile and appropriateness. XML is not a party to the contract and receives no compensation for this arrangement. The loan provider will receive interest payments on the loan from the client. Please refer to XML's separate disclosure of conflicts for a related person involved with the Loan provider.

Wrap Fee Programs

The IARs who are *dually licensed financial professionals*, are registered with the BD are able to offer Wrap Fee Programs through XML. With a Wrap Fee the client pays one annual asset-based management fee as opposed to an annual asset-based management fee to the advisor and an additional asset-based or per transaction charge to the custodial broker-dealer. The Wrap Fee Program includes; the compensation paid to XML, the IAR, performance reporting, billing of the Wrap Fee Program for XML and custodial transaction charges in accordance with the Wrap Fee Program Agreement ("Program Agreement") and the terms of engagement by XML and the BD – thus the term "wrap" as the fees are considered wrapped together into one annual asset-based management fee paid by the client. The Wrap Fee Program may cost more or less than purchasing such services separately. As the asset-based fee associated with a Wrap Fee Program will include most transaction costs and fees to a broker-dealer who has custody of these assets, they are typically higher than other asset-based advisory fees for other forms of advisory services. **A separate XML Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure ("Wrap Fee Brochure") is available and provided for your consideration of a wrap account. The Wrap Fee Brochure is made available free of charge upon request by using the contact information on the cover page of this document.**

Item 5. Fees and Compensation

XML offers advisory services for compensation based on a percentage of assets under management, hourly charges, and fixed fees (other than subscription fees).

A PERCENTAGE OF ASSETS UNDER MANAGEMENT

Portfolio Management Service

The principal fees and costs associated with portfolio management services are XML's annual asset management fee. This fee is a percentage, calculated based on the billable assets designated under the XML Discretionary Investment Management Agreement ("IMA") or other advisory program agreement. Custodian transaction fees and account charges, and the underlying investments' expenses, as applicable, are additional costs. An asset-based fee creates a conflict in that the higher the assets in your account, the higher the fee we will receive. Thus XML and the IAR have an incentive to increase the assets in your account. This increase in the assets applies to both the increase in value of the assets as well as recommending the engagement of our services or recommending the addition of funds to an established account. IARs must adhere to the investment advisor fiduciary standard and act in the best interest of the client. We mitigate this conflict by enabling the IAR and client to negotiate the asset-based management fee. We also established a declining tiered fee schedule. Keep in mind, as your assets grow or decline so does the annual asset management fee XML receives. Your account will be billed regardless of whether your assets increase in value, a common practice in the financial services industry.

Asset-based Fee Schedule

XML has a recommended IMA fee schedule, however the fee is negotiable. The annual asset management fee paid by clients will vary among clients. The IAR considers many factors if adjusting the fee. This includes; the amount of assets under management, projected assets, the complexity of the investments, number of accounts, objective, account position composition, pre-existing/legacy client relationship, account retention and special considerations for certain non-profit groups or charitable organizations, relationship interactions, financial planning and consulting considerations, and the expected service level XML.

The IAR and XML have an inherent conflict when recommending the XML advisory services as they have a financial incentive for you to engage these services. We try to mitigate this conflict with training and educating IARs on their fiduciary duty and a focus on what is in the best interest of the client. XML and the IAR are professionals and it is intended for us to be compensated fairly for our time, guidance, experience, knowledge and opinion, operational support, execution of advisory service, whether or not a recommendation results in an action, a hold recommendation or no action be taken.

The IAR and family members of the IAR are granted a lower XML asset management fee or waiver of the fee altogether, but would be subject to custodial fees and other third-party charges. The IMA includes an option for a Flat Fee percentage which would therefore not apply to the schedule below. The IMA fee would apply to all accounts listed under the IMA with exceptions specifically noted.

Portfolio Value	Base Fee
First $1,000,000	1.25%
Next $2,000,000	1.00%
Next $1,000,000	0.90%
Next $1,000,000	0.80%
Next $1,000,000	0.70%
Next $1,000,000	0.60%
Next $1,000,000	0.50%
Next $1,000,000	0.40%
Next $1,000,000	0.30%
Next $1,000,000	0.20%
Next $1,000,000	0.20%
Next $1,000,000	0.20%
Next $1,000,000	0.20%
Next $1,000,000	0.20%
Above $15,000,000	Negotiable

With new accounts, the asset management fee for the initial quarter is billed in arrears, prorated and based upon the value of assets being managed by the firm at the time the account is funded by such assets. Cash in the account is included in the asset management fee calculation. Please discuss with your IAR any assets/securities in which you feel should not be included as part of the fee calculation and deemed unbillable assets. The fee is then subsequently billed quarterly in advance and is based upon the average daily balance of the assets in the previous quarter. In the event the IMA is terminated, the fee for the final billing period will be prorated, if applicable, through the effective date of the IMA termination and any unearned portion of the fee refunded to the client. A reduction in the asset management fee requires your written consent and XML's approval. An increase in the asset management fee would require a new IMA to be executed by you and XML. The IMA allows for varying fee rates to be applied for different types of accounts, such as for 529 plans held directly at the fund companies. If you wish to deviate from this form of payment, that would create an additional burden on the XML operations and would need approval by a principal of XML.

Account Additions and Withdrawal Considerations

Clients generally make frequent additions and withdrawals from their account and are able to do so subject to XML's right to terminate the IMA services if the account value falls below a level that we feel is no longer suitable for our services. Per the IMA agreement, the Firm reserves the right to liquidate any transferred securities to or decline to accept securities into your investment account. You may withdraw account assets subject to the usual and customary securities settlement procedures. The Firm designs portfolios as long-term investments and the withdrawal of material assets may impair the achievement of your investment objective. XML will consult with you about the options and implications of transferring material funds or securities out of your account. Clients are advised that when transferred securities are liquidated, they will be subject to Fidelity's transaction fee schedule, possibly short-term mutual fund redemption fees, which can be significant, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Third Party Manager Services

XML maintains accounts with the third-party manager, Morningstar Managed Portfolios (”MMP”). MMP is sponsored by Morningstar Investment Services (“MIS”) with models of Mutual Fund Portfolios, Exchange Traded Fund (“ETFs”) Portfolios, and Select Stock Baskets. The following firms provide custodial and administrative services for the MMP: BNY Mellon Investment Servicing Trust Company (“BNY Mellon”), Fidelity Brokerage Services LLC and National Financial Services, LLC (collectively, “Fidelity”) and Schwab. The annual program fees and transaction costs vary depending on the Portfolio structure, fee plan and custodian selected. There is a separate MIS manager charge and custodian charge that is selected by the client as either a “per transaction” charge or as a flat percentage basis point “bps.” The individual fees and terms are outlined and described in the MIS Proposal and Application Agreement.

The XML advisory fee for the MMP ranges from 0.75% - 1.10%, the MIS fee ranges from 0.30% – 0.55%, and the custodians charges range from $7.95/trade to $10.95/trade or 0.10% in a flat basis point format (minimum fees apply), which the client selects as part of the application. The specifics of what the fees cover and how they are billed are detailed in the respective Account Proposal, Application and Custodial Agreement. The Agreement can be terminated at any time (including within five business days of entering into the agreement) without the imposition of any penalty upon written notice by the client or MIS to the other and termination will become effective on receipt of such notice. If the value of an account falls below the minimum size of $50,000 due to withdrawals or market action, MIS can terminate the account. Any termination by MIS or the client will not, however, affect the liabilities or obligations of the parties incurred or arising from transactions in Fund Shares initiated under the Agreement before such termination. *Please refer to the separate MIS ADV Part 2A Brochure and MIS Wrap Fee Program Brochure.*

529 Accounts

XML is able to offer consulting services for 529 Plans. The consulting fee paid by each client is dependent upon the 529 plan selected, the mutual fund share class of 529 investments and amount of assets held by the account. For clients opening new 529 accounts with institutional or advisory mutual fund share classes, the consulting fee for those assets is generally billed at 0.75%. For clients converting existing 529 accounts that are only invested in brokerage-based class C shares to institutional shares, the consulting fee for those, and future assets, will be billed at 0.75%. For clients converting existing 529 accounts that are only invested in class A shares to institutional shares, the consulting fee for those, and future assets, will be billed at 0.20%. For clients converting other types of 529 plan structures the consulting fee will be determined on a case by case basis. Neither XML, nor an IAR, will receive compensation on brokerage/commission paying mutual fund share classes on the same assets the XML asset-based management fee is billed on. The consulting fee applied will vary between clients and will be lower for some clients based on the total relationship and assets under management with XML.

Direct Fee Debit

Through the Fidelity brokerage account agreement and IMA, clients provide XML and/or certain Independent Managers with the authority to directly debit their accounts for the payment of the asset management fees. XML calculates the fee

and submits the request to deduct the fee, based upon XML's instruction, from client's account and deposits the fees to XML's Firm account at Fidelity. Other fees not covered by the IMA will be paid for separately by the client and directly debited from the account by the custodian.

Use of Margin

Should you choose to use margin in your account a Margin agreement must be executed with the custodian. There are restrictions on the type of accounts that can utilize Margin. Please consult with your IAR regarding the use of Margin.

HOURLY CHARGES AND FIXED FEES

Financial Planning and Consulting & Retirement Plan Consulting

Certain client situations will be better suited for XML to charge a fixed fee for financial planning and consulting services. These fees are negotiable, but the typical range is from $1,000 to $10,000 annually, depending upon the scope and complexity of the services and the IAR's level of expertise rendering these services. If XML is engaged for portfolio management services under an IMA, XML may offset all or a portion of this fee for those services based upon the amount paid for the financial planning and/or consulting services, at the Firm's discretion. The terms and conditions of the financial planning and/or consulting engagement are set forth in an invoice or other separate agreement. XML generally requires one-half of the fee (estimated hourly or fixed) payable at the onset of the relationship. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm will not, however, take receipt of $1,200 or more in prepaid fees in excess of six months in advance of services rendered. For smaller projects some IARs can provide services on an hourly fee as negotiated and agreed upon by the client. The per hour fee rate ranges from $100 - $250/hour, but could be more or less as agreed upon. The fee is billed to the client via an invoice which summarizes the scope of project. The client will then need to initiate the payment according to the invoice instructions. Agreement is necessary from the client before work is commenced.

If the client is not satisfied with the completed service, a full refund of the fee paid, less any out-of-pocket Firm expenses, can be requested in writing to the Firm, Attn: Compliance Department within thirty (30) days of the receipt of completed service. All payments for invoices should be made payable to "XML Financial Group" and mailed per the invoice instruction to a branch office and not made payable to any Supervised Person.

Additional Fees and Expenses

In addition to XML's annual asset management fee, hourly or fixed fee paid, clients will also incur, and be responsible for, charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly to the investor by a mutual fund or ETF in a client's account, as

disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on the custodial account and securities transactions. The Firm's brokerage practices are described at length in Item 12.

Mutual fund's annual operating expense are a common cost for investors. Even with the use of advisory share classes, there are underlying expenses that are born by the investor. Please refer to the mutual fund's prospectus to review the respective share class annual operating expenses. These expenses are in addition to XML's fee and custodial transaction charges.

Fidelity Transaction Fee Schedule (*separate document*). This schedule applies to accounts custodied at Fidelity through XML. These fees are separate and in addition to XML's annual asset management fee. The Fidelity Transaction Fee Schedule was negotiated between Fidelity and XML, and likely differs from the schedule of another investment advisor firm or that Fidelity applies to their retail accounts. This schedule details the transaction charges applied by Fidelity directly to your account. The types of transactions and services this covers include: equity trades placed by XML, mutual fund transaction fees – including Mutual Fund Short-term Trading Fee, fixed income principal or agency based charges, option orders, UIT, margin borrowing rates, alternative investment charges, precious metals related fees, trade-away fee, international dividends/organization fee, wire and account closeout fees. Note that effective November 4, 2019 Fidelity began offering zero commissions for online equities, ETFs, and options trades, for accounts enrolled in eDelivery. Please read through the notice provided with the Fidelity Transaction Fee Schedule as there are conditions and exceptions to this policy.

Compensation

Some IARs are compensated utilizing a base salary, determined in part by the assets they service and their other responsibilities at the Firm. IARs may also be compensation primarily on the assets they manage. This creates a conflict as they have an incentive to increase the amount of assets they service. There is also the potential for the award of a bonus at the discretion of the Management Company. The Firm allows for a non-serving IAR to receive compensation for client referrals. *Please refer to Item 14. Client Referrals and Other Compensation.* Principals of the Management Company are compensated per the Management Agreement and not directly related to the revenue earned in their function as a financial professional. Their compensation is based on a calculation of the financials for both XML and the affiliated broker-dealer and is not dependent solely on portfolio management fees. However, this could create a conflict to make decisions at a firm level or situational circumstance that would impact their compensation. IARs who are *dually licensed financial professional* are compensated based on a tiered level pay out on a net percentage basis of both their XML advisory compensation and their compensation earned through the affiliated BD. As their revenue increases so does their percentage payout. The IARs who are *dually licensed financial professionals*, are able to provide securities brokerage products and services under separate commission-based arrangements in their capacity as a registered representative of the BD. IARs who are also insurance producers, are able to offer insurance products in that capacity, both to clients of XML and non-clients of XML. This compensation is separate and in addition to compensation they receive for performing advisory services under XML. See *Item 10. Other Financial Industry Activities and Affiliations* for more information regarding the compensation associated with IAR's providing other

products and services. This creates a conflict as they could be incentivized to increase their revenue for their financial gain. The Firm mitigates this by having a heightened supervision system in place for IAR's who are within ten percent of reaching their next tier compensation level. **Please refer to the IAR 2B Supplements which includes IARs' other business activity and affiliations as applicable.**

A conflict exists when XML recommends that an ERISA plan participant take a distribution, or transfer/rollover their Plan account, to an Individual Retirement Account (IRA) and engages our advisory services. A conflict exists as XML will receive compensation for such services that it previously was not. XML follows the SEC standards of fiduciary conduct when making such recommendations.

Item 6. Performance-Based Fees and Side-by-Side Management

XML does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

XML offers advisory services to retail investors. Per the definition of Form ADV Part 3 (Form CRS), retail investors are; a natural person, or the legal representative of such natural person, who seeks to receive or receives services primarily for personal, family or household purposes. This includes individuals, including high net worth individuals, trusts and estates. We also provide services to corporations, business entities, associations, ERISA plans, pension and profit-sharing plans, charitable organizations, and trusts and estates not considered retail investors, as mentioned above. Based on our service model and infrastructure, we feel that retail investors who wish to regularly direct trades, such as on a daily or weekly basis, may not be best suited for discretionary portfolio management services. Likewise, investors with high cashflow demands that create a frequent inflow and outflow of funds place a disproportional operational burden on our operations and can inhibit us from providing the portfolio management services to the best of our ability.

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

Methods of Analysis and Investment Strategies

XML utilizes technical and fundamental methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular investment. For XML the technical process typically involves multiple analytical measurements. Some of those measures might include past performance, style drift, allocation of assets and sector rotation. XML may incorporate stocks into the recommendation of portfolio allocations as well and it we feel are in-line with the stated investment objective. The Firm may use outside, independent research to determine the technical and fundamental characteristics of any individual company. XML looks for companies that might be out of favor and pay healthy dividends or solid growth companies.

For IARs who manage client assets via separate accounts, they conduct their own independent research and review of a respective manager to assess the manager's suitability for the individual client that is recommended. They have developed their own areas of expertise and have individual style preferences. This research involves all or a combination of utilizing reputable third-party research reports and rating services, publications about the managers, commentary provided by the manager, the IAR's own experiences, and review of prospectus materials. Investing involves risk including the risk of loss that you should be prepared to bear. IAR's provide investment advice based on your unique needs and circumstances. As part of this process, consideration is based on several factors when developing investment strategies and analyzing specific securities, categories, products or types of investment vehicles. Generally, methods of analysis include; industry research reports, subscription ranking and reporting services, public reports, material provided by the investment company, discussions with product providers, personal experience and further education by attending industry events, both in person and held virtually. You should review the prospectus, offering memoranda, or other documents that you have received due to your participation in an investment which set out more details and information related to the respective investment's risks.

Neither XML nor the IAR can guarantee that your investments will result in your financial gain. Likewise the skills and areas of expertise of the IARs differ. Their individual experience and knowledge will evolve through the course of your relationship. Neither XML nor the IAR can predict how an investment will perform. IARs can only base their recommendation with what they know and are presented with at the point in time that a recommendation is made. We caution investors who reflect on investment decisions with the benefit of hindsight.

Risks of Loss

Market Risks
Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of XML Financials' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that XML Financial will be able to predict those price movements accurately or capitalize on any such assumptions.

Cybersecurity
The computer systems, networks and devices used by XML, Supervised Persons, and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; 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. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties,

reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a funds stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The Firm may invest in closed-end mutual funds where the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a closed-end mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the closed-end mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares. Mutual Funds and ETFS that employ alternative strategies such as long/short investment management, or the management of leveraged positions through derivatives involve a higher risk of volatility and loss of principal.

Options

The use of options enables investors to increase buying power and take advantage of a greater number of undervalued situations than would be the case if leverage were not used. Options could materially increase the risk of loss in investment portfolios. While leverage presents the potential opportunity for increasing total return, it has the potential for increasing losses as well. Any event which adversely affects the value of an investment would be magnified to the extent leverage is employed.

Independent Managers

XML reviews the use of certain Independent Managers on behalf of clients. The performance of those assets managed by Independent Managers will depend to a great extent on the Independent Managers' ability to successfully implement their investment strategies. XML is limited in the due diligence it can perform on Independent Managers and cannot verify the information provided by these managers.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation or the integrity of adviser's management. XML has no information applicable to this Item.

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations that are material to our advisory business, to our clients and management persons. XML does not believe the Focus Partnership presents a conflict of interest with our clients. However, due to this affiliation, we have a limitation in that XML is unable to recommend or trade on a discretionary basis the Focus Inc. stock symbol FOCS. Orders for FOCS must be handled as unsolicited, client-directed trades. As noted above in response to Item 4, certain investment vehicles managed by Stone Point collectively are principal owners of Focus LLC and Focus Inc., and certain investment vehicles managed by KKR collectively are minority owners of Focus LLC and Focus Inc. Because XML is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point and KKR investment vehicles are indirect owners of XML. None of Stone Point, KKR, or any of their affiliates participates in the management or investment recommendations of our business.

XML has a business development division, XML-W Wealth Management. This division is a marketing arm of the Firm for non-investment advisory services.

Affiliated Broker-Dealer

XML shares Management Persons and has a material relationship with the affiliated broker-dealer, XML Securities, LLC ("BD") to offer wrap fee programs. Management Persons include XML's executive officers and other individuals with similar status or performing similar function. The BD was previously a dually registered investment advisor and broker-dealer. In 2019, the BD assigned the advisory business to XML and withdrew its registration as an investment advisor. We continue to support and operate the infrastructure which was previously established. Therefore, XML and the BD share Supervised Persons, management persons, physical office space, company infrastructure, human resources and technology systems.

The BD is material to the Wrap Fee Programs XML sponsors. The BD supports these Programs through their Clearing Firm. **Please refer to the Wrap Fee Brochure for additional information and conflicts associated with this relationship**. The use of the BD creates a material conflict of interest in that it generates additional revenue from the wrap program platform by receiving the difference from the investment advisory fees paid to the IARs and the expenses of the clearing firm – for billing, reporting and transactions fees. The Management Company of XML also has an agreement for the management of the BD. The Management Company would benefit from revenue generated from the wrap fee account assets where there is a revenue share established between the BD and the Clearing Firm. This is mitigated in that the asset management fees applied for the wrap fee accounts are in-line with industry standards as they include transaction costs that advisory clients typically pay as an additional expense. The

revenue share between the BD and the clearing firm is further discussed in the Wrap Fee Brochure. The BD facilitates the brokerage trading for the wrap accounts. *Refer to Item 12 for more information.*

Utilizing Brokerage Services

As discussed in Item 5, IARs who are dually licensed financial professionals are able offer XML clients brokerage services through the BD. The BD also offers brokerage services to clients other than advisory clients of XML. You may engage these persons in their capacity as a broker-agent of the BD to render securities brokerage services in a separate capacity. You are under no obligation to engage the BD and may choose professionals not affiliated with XML for brokerage services.

In their capacity as a broker-agent, they will be entitled to a percentage of the brokerage commissions earned under the BD. Prior to effecting any securities brokerage transactions, you are required to enter into a separate brokerage account agreement with the BD and the Clearing Firm or complete an application for the brokerage product – such as for a mutual fund company or variable annuity provider. Brokerage activities are separate from XML advisory services and compensation received through the BD is in addition to compensation and received by an IAR regarding XML investment advisory activities.

While it is convenient for the same person to provide advisory activities and brokerage services, it presents a conflict of interest for the financial professional and an incentive to recommend brokerage products based on the separate compensation that they receive rather than in the client's best interest. XML provides investment advice, described in Item 4 herein, in the best interest of advisory clients. As XML and the BD share Supervised Persons, we are able jointly monitor IARs engaging in brokerage services with XML clients. *Please refer to the IAR 2B supplements to confirm which activities the IAR is able to provide and the respective Brokerage Services page on www.xmlfg.com.*

Insurance Agency

Many IARs are also licensed insurance producers and are able to recommend or offer insurance products on a fully-disclosed commissionable basis through an insurance agency, such as the affiliated BD, or a third-party agency. Please refer to the Supervised Person's individual 2B Supplement for more information regarding their outside business activity and the relationship with XML or a Supervised Person. A conflict of interest exists to the extent the recommendation to purchase insurance products generated insurance commissions separate from and in addition to compensation received for XML advisory services. The Firm has procedures in place whereby it seeks to address that recommendations are made in the clients' best interest regardless of any such affiliation. XML clients are in no way obligated to purchase insurance products recommended by a Supervised Person through the affiliated BD or third-party agency.

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

XML has adopted a Code of Ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. XML's Code of Ethics contains written policies reasonably

designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons, or trading by the Firm or any of its Supervised Persons in a manner that does not place clients' interests first.

The Code of Ethics also requires certain of XML's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, Supervised Persons are permitted to buy or sell securities that they also recommend to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, exceptions will be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- If on the same side, the transaction for the client has been completed; if opposite, the transaction can be completed before the client (*Example: Supervised Person is selling, client is buying)*.
- the transaction for the Supervised Person is completed as part of a batch trade with clients and securities pricing is averaged; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to transactions in the following securities and instruments: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

IAR's manage multiple client accounts and often could be recommending the purchase or sale of a security or buying or selling a security in a client's account where another IAR's could be recommending and submitting transactions on the opposite side unbeknownst by each of the IAR's. The individual client's positions, liquidity needs, unsolicited trades and rebalancing of client accounts can occur and clients will likely receive various pricing, either more or less than each other as is characteristic of the market. The Firm conducts a review of Firm trading logs to identify instances where a Code of Ethics violation occurs.

Where appropriate, if the Firm is recommending the buy, hold or sell of a security, this will be communicated to all Supervised Persons. If restrictions in trading a security are in place, this will also be communicated to Supervised Persons. Clients and prospective clients may contact XML to request a copy of its Code of Ethics. Known or suspected illegal or unethical behavior must be promptly reported to the Firm's designated principal, and no retaliatory action of any kind will be permitted against anyone making such a report, and the Firm's managing partners and officers will strictly enforce this prohibition.

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

XML has a relationship in place and therefore recommends that clients utilize the custodial services of Fidelity for portfolio management accounts as we have an internal infrastructure to facilitate the management of client accounts at Fidelity.

Factors which XML considers in recommending Fidelity, or any other broker-dealer to clients, include their respective financial strength, reputation, execution, pricing, research and service. Fidelity enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions and depend on the account options selected by you. Many custodians offer discounted transaction rates for accounts enrolled in the electronic delivery(eDelivery) of custodian statements/documents.

As XML will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid for securities transactions, clients must direct XML as to the broker-dealer to be used. In directing the use of a particular broker- dealer, it should be understood that XML may be unable to achieve most favorable execution of your transactions. By you directing which broker-dealer used for your account, it could cost you more money. For example, in a directed brokerage account, you may pay higher brokerage commission because we will not be able to aggregate orders to reduce transaction costs and you will likely receive less favorable prices. We will not have authority to negotiate commissions among various broker- dealers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific broker- dealers. XML periodically and systematically reviews its policies and procedures regarding its recommendation of Fidelity or other broker- dealers.

Software and Support Provided by Financial Institutions

Fidelity, the custodian we utilize for our clients, provides XML without cost, the use of a secure online portal system for our clients as well as access to its Wealthscape platform, which allows us to open accounts, submit trades and service requests, run reports, access research services and monitor client accounts maintained at Fidelity. The Firm has access to the Morningstar Managed Portfolio platform for client accounts engaging Morningstar Managed Portfolio services. The Firm receives this support without cost because the Firm renders investment management services to clients who maintain accounts at the custodian. These services and support are not provided in connection with securities transactions of clients. The service and support benefits XML, but not the clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of benefits from custodians, while customary, creates a conflict of interest since these benefits may influence the Firm's recommendation of one custodian over another that does not furnish similar service and support.

Soft Dollars

XML and Fidelity Brokerage Services, LLC ("Fidelity") have an agreement that enables XML to receive certain

brokerage and research products and services, as agreed to from time to time, by the parties that qualify as "brokerage" or "research services" under Section 28(e) of the Securities Exchange Act of 1934 ("28(e)", "Exchange Act"). XML and Fidelity intend the arrangements covered by the agreement to operate within the safe harbor conditions of 28(e). XML will place trades for the purchase and sale of securities for XML client accounts which XML exercises "investment discretion" and with respect to which Fidelity or the executing broker, as applicable, has acted as agent within the meaning of 28(e) transactions. XML agrees that such credits: (i) will only accumulate in the 28(e) Commission Credit Pool on permitted trades designated by XML; (ii) represent credits available to Advisor solely for the purpose of purchasing eligible research and brokerage services, as those terms are used in 28(e), requested by XML and approved by Fidelity; (iii) do not represent funds payable to XML or an client of XML; (iv) are not credit balances on which Fidelity will pay interest; and (v) are not customer property as defined by the Securities Investor Protection Act of 1970 or protected by the Securities Investor Protection Corporation.

This is a benefit to us as we do not have to pay for this research and service. We feel these research services are important to the ability of XML and the IARs to carry out the investment decision-making and trade execution in the portfolio management service to all accounts. Thus, this creates a conflict of interest because we have an incentive to use broker-dealers who allow us to use these commission dollars to purchase research and execution services rather than other broker-dealers who do not allow us commission dollars. We also have an incentive to arrange more transactions in your accounts because the more frequently your accounts are traded the more commissions we generate to use for our purchase of research and execution services. We mitigate this in that we take a fiduciary role in the management of your accounts. We view this revenue as immaterial on an account by account basis. This arrangement may cause you to pay commissions (or markups and markdowns) higher than those charged by other broker- dealers in return for this soft dollar benefit, referred to as paying-up.

Trade Aggregation

Transactions for each client generally will be effected independently, unless XML is able to purchase or sell the same securities for several clients at the same time through aggregation/block trading to achieve an average price for all trades. XML may, but is not obligated to, combine or "block" such orders to obtain best execution, to obtain more favorable commission rates or to allocate equitably among the Firm's clients that might not have been obtained had such orders been placed individually. Under this procedure, transactions will be averaged as to the price and allocated among clients pro rata to the purchase and sale orders placed for each client. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which XML's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 and no-action guidance provided by the staff of the SEC. XML does not receive additional compensation or remuneration as a result of block trading.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit

it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares will be allocated to one or more accounts on rotating basis.

Item 13. Review of Accounts

Account Reviews

XML monitors client portfolios on a continuous and regular basis. Such reviews are conducted in accordance with the Firm Monitoring Program. The entire scope of account reviews cannot be quantified, as servicing and reviewing accounts happens on a daily basis due to various reasons, such as: per an internal review, client initiated transaction, trade alert from the custodian, cash allocation, material in-flow or out-flow of funds, specific security alert, and other triggering events. Not all accounts will receive the same amount of attention and are dependent on the scope of service agreed to. For all accounts maintained at Fidelity, we have custodial alerts set up that are sent to Client Service Associates, IARs, and Firm officers for various investment related, trading and account maintenance issues. We have scheduled quarterly reviews by the IAR's and Firm officers of account and position related reports. Review of trade blotters and personal accounts trading are conducted by compliance personnel on a regular basis. Quarterly performance reports are made available to the IARs. Reviews are conducted on sampling basis, and as needed and for those accounts where the IAR feels it is necessary, such as change in objective, personal profile, inflow or outflow of funds, other event based on the client's individual need.

All investment advisory clients are encouraged to discuss their needs, goals and objectives with XML. The Firm contacts clients at least annually to invite the client to hold an annual review, if one has not been done so already. Clients are encouraged to contact us regarding changes to their financial profile, personal information and circumstances that were previously communicated to XML. Clients are also encouraged to review their statements provided by the custodian on a regular basis. Our services require your input and communication. If you are not responsive to our requests to discuss your account(s) for a significant period of time, we reserve the right to terminate our service and will notify you as such per the contact information we have in our records or with the custodian.

Client Obligations & Account Statements Review

We are not required to verify all information received from you or from your other professionals, and are expressly authorized to rely on the information you provide (this is not referring to Customer Identification Policies). Moreover, it remains your responsibility to promptly notify us if there is ever any change in the information provided to us in the brokerage New Account form or Client Profile or when material changes arise in your financial situation, profile, risk tolerance, or investment objective. These changes should be promptly communicated to and discussed with us otherwise you could negatively impact our investment advisory services. We don't know, what we don't know.

XML provides written performance reports to clients on a periodic and as needed basis. The qualified custodians provide account statements directly to the account owners not less than quarterly detailing all account transactions, including fees paid to XML. **You should carefully and regularly review the statements provided directly by the qualified custodians and compare them to those reports received from XML.** You should review such statements and compare such official custodial records to reports or information provided directly by XML or viewed via a custodial feed in a third-party software or online portal. Statements from custodians can vary from one to another based on their accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14. Client Referrals and Other Compensation

XML may enter into solicitation agreements pursuant to which we compensate third-party intermediaries for client referrals that result in the provision of investment advisory services by XML. We will disclose these solicitation arrangements to affected investors, and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisers Act. Solicitors introducing clients to XML will likely receive compensation from us, such as a retainer, a flat fee per referral and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by XML and not by any affected client. This creates a conflict of interest in that they have a financial incentive for referring clients to XML services

Certain Supervised Persons have an agreement in place for which they are eligible to receive compensation based on referring clients to the firm. This creates a conflict of interest in that they have a financial incentive for referring clients to XML services. XML IARs who refer client's to another XML IAR usually agree to a certain percentage split of the investment advisory fee. This is usually the case when an IAR either has a conflict with the client or feels the client would be better served by another IAR. Also, at the discretion of Firm management, Supervised Person who refer a new client to the Firm may be awarded a bonus. We feel this conflict is mitigated in that the Supervised Person is merely making an introduction and not recommending investment advisory services, and is not the servicing IAR. The servicing IAR makes recommendations in accordance what he or she feels is in the clients' best interest, recommend the respective services and negotiates the fee with the client. Thereby, mitigating the conflict.

<u>Sponsorships</u>

XML's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include XML Supervised Persons, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including XML. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including XML. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause XML to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including XML. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities provided conference sponsorship to Focus in the last year:

Charles Schwab & Co., Inc.	eMoney Advisors, LLC
Envestnet Financial Technologies, Inc.	Fidelity Brokerage Services LLC
Fidelity Institutional Asset Management LLC	Orion Advisor Services, LLC

Events, conferences and third-party sponsorships

Mutual fund companies, our custodians, and product wholesalers often hold education opportunities, conferences and in-office meetings to discuss industry topics and their products and services for Supervised Persons. These meetings are held for the Supervised Persons who are interested in attending. The third-party typically pays for lunch to be brought in for in-office meeting attendees or a restaurant if held outside the office.

On occasion, third-parties will also contribute funds to sponsor client or firm events and contribute a monetary amount towards the direct cost of the event. Sponsorships are disclosed on the respective event materials.
Sponsors may also make donations to non-affiliated charitable organizations that a Supervised Person is involved with as a volunteer, provided however that donations would not be considered associated with any XML or IAR related business or have the expectation of influence.

Supervised Persons also attend third-party seminars or conferences that are paid by fund companies or product sponsors. Travel and event attendance costs are covered by the product company. All sponsorship requests require prior approval by compliance staff and are logged for tracking purposes to review for potential conflicts of interest.

Third-party monetary contributions are monitored at the Firm level to aggregate and review for the appearance of favoritism or questionable activity. While these measures are in place, nevertheless this could create a conflict of interest in the selection of one investment product over the other. Per fiduciary principles, an IAR should do what is in the client's best interest without regard for the IAR's or the Firm's financial interest. We do not make any commitment of business that we will attribute to one particular product sponsor or third-party. We are not beholden to any one company. Sponsorship funds are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

Speaking engagements

On occasion, Supervised Persons are asked to speak in an educational format on topics they are knowledgeable in. The audience varies between industry professionals, representatives from organization or individual retail consumers. We are supportive of Supervised Person sharing their knowledge and expertise on important subject matters. While the majority of the speaking engagements are voluntary, sponsors of the events are allowed to provide the Supervised Person with compensation for their time and preparation work. This could be in the form of a gift card or payment directly to XML as compensation for Supervised Person speaking engagement. All compensation paid in this manner will be logged and reviewed for potential conflicts of interest if paid by an investment product or service provider related to insurance, investment advisory or securities business through XML or our affiliated broker/dealer, the BD. Reimbursement for travel expenses only could be paid directly to the Supervised Person.

Gifts

Periodically, especially during the holiday season, mutual fund wholesalers, product sponsors and other vendors send the

IARs and/or XML branch offices items such as gift baskets, food items, stationery items or logo company promotional products. Due to industry rules, there is a limit on the gift value. Non-logo promotional items are logged and aggregated for review with other sponsorship or gifts by the same company during the year to review for concerns of favoritism or potential conflicts. Typically, gifts are shared with all employees at the office where received.

Item 15. Custody

The Advisory Agreement and/or the separate agreement with a custodian generally authorizes XML and/or the Independent Managers to debit client accounts for payment of the asset-based annual management fees and to directly remit those funds to the Firm in accordance with applicable Advisory Agreement and custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, will send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to XML as the advisory fees. We recommend you regularly review and compare account statements you receive from the custodian.

Client assets are custodied by one or more of the Qualified Custodians. However, based on the definition of custody per SEC Rule 206(4)-2 ("Custody Rule") under the Investment Advisors Act of 1940, XML is deemed to have custody of advisory accounts maintained through the BD at First Clearing, due to the broker-dealers affiliation and authority granted to the BD in the brokerage account agreement. Additionally, XML is deemed to have custody depending on how checks are presented to us for deposit into your investment account and/or if securities certificates are received by us for deposit to the Qualified Custodian. The SEC requires that Firms who have such custody status engage an accounting firm registered with the PCAOB to perform a surprise examination of accounts by which the Firm is both deemed to have custody and are subject to the surprise examination each calendar year. XML has engaged a PCAOB firm to provide such service.

Item 16. Investment Discretion

Through the IMA, XML is given the authority to exercise investment discretion on your behalf. XML is considered to exercise investment discretion over a client's account if it can effect and/or direct investment and trading transactions in client accounts without first seeking the account owner's consent. XML is given this authority through a power-of-attorney included in the IMA between you and XML. You may request a limitation on this authority (such as certain securities not to be bought or sold). We request any such restrictions be submitted in writing to XML. XML takes discretion over the following activities:

- The securities to be purchased or sold;
- The Independent Managers to be hired or fired;
- The amount of securities to be purchased or sold; and
- When transactions are effected.

Item 17. Voting Client Securities

XML does not accept the authority to vote your respective securities proxies on your behalf. Investors receive proxies

directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Item 18. Financial Information

XML is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than $1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

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