L.M. Kohn & Company

Investment Advisory Manual

February 1, 2024

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Introduction

Policy

L.M. Kohn & Company is a registered investment adviser with the U.S. Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (Advisers Act).

Our firm has a strong reputation based on the professionalism and high standards of the firm and our employees. The firm's reputation and our advisory client relationships are the firm's most important asset.

As a registered adviser, and as a fiduciary to our advisory clients, our firm has a duty of loyalty and to always act in utmost good faith, place our clients' interests first and foremost and to make full and fair disclosure of all material facts and in particular, information as to any potential and/or actual conflicts of interests.

As a SEC registered adviser, L.M. Kohn & Company and our employees are also subject to various requirements under the Advisers Act and rules adopted under the Advisers Act and our Code of Ethics. These requirements include various anti-fraud provisions, which make it unlawful for advisers to engage in any activities which may be fraudulent, deceptive or manipulative.

These antifraud provisions include the SEC Compliance Programs of Investment Companies and Investment Advisers (Compliance Programs Rule) (SEC Rule 206 (4)-7) which requires advisers to adopt a formal compliance program designed to prevent, detect and correct any actual or potential violations by the adviser or its supervised persons of the Advisers Act, and other federal securities laws and rules adopted under the Advisers Act.

Elements of L.M. Kohn & Company's compliance program include the designation of a Chief Compliance Officer, adoption and annual reviews of these IA Compliance Policies and Procedures, training, and recordkeeping, among other things.

Our IA Policies and Procedures cover L.M. Kohn & Company and each officer, member, or partner, as the case may be, and all employees who are subject to L.M. Kohn & Company's supervision and control (Supervised Persons).

Our IA Policies and Procedures are designed to meet the requirements of the SEC IA Compliance Programs Rule and to assist the firm and our Supervised Persons in preventing, detecting and correcting violations of law, rules and our policies.

Our IA Policies and Procedures cover many areas of the firm's businesses and compliance requirements. Each section provides the firm's policy on the topic and provides our firm's procedures to ensure that the particular policy is followed.

L.M. Kohn & Company's Chief Compliance Officer is responsible for administering our IA Policies and Procedures.

Compliance with the firm's IA Policies and Procedures is a requirement and a high priority for the firm and each person. Failure to abide by our policies may expose you and/or the firm to significant consequences which may include disciplinary action, termination, regulatory sanctions, potential monetary sanctions and/or civil and criminal penalties.

The Chief Compliance Officer will assist with any questions about L.M. Kohn & Company's IA Policies and Procedures, or any related matters. Further, in the event any employee becomes aware of, or suspects, any activity that is questionable, or a violation, or possible violation of law, rules or the firm's policies and procedure, the Chief Compliance Officer is to be notified immediately.

Our IA Policies and Procedures will be updated on a periodic basis to be current with our business practices and regulatory requirements.

Advertising

Policy

L.M. Kohn & Company uses various advertising and marketing materials to obtain new advisory clients and to maintain existing client relationships. L.M. Kohn & Company's policy requires that any advertising and marketing materials must be truthful and accurate, consistent with applicable rules, and reviewed and approved by a designated officer. L.M. Kohn & Company's policy prohibits any advertising or marketing materials that may be misleading, fraudulent, deceptive and/or manipulative. Our policy also prohibits the use of testimonials.

Any IAR wishing to utilize Designations, Rankings or Awards must comply with the following: All designations must be shown with a disclosure explaining the nature of the designation, how it it was earned and the relevance it has to the business. The exceptions to this requirement would be for widely known designations in the public including and limited to the following: J.D., CFP, CFA, CPA, LUTCF, CLU and CHFC.

For any IAR wishing to use any Rankings or Awards we require a disclosure explaining the nature of the designation, how it was earned and the relevance it has to the business.

All designations, rankings and awards must be pre-approved by our compliance department prior to use.

L.M. Kohn & Company's policies and procedures governing the use of social media for business purposes incorporate these same prohibitions. Our firm's comprehensive Social Media policy and procedures are separately set forth in this document; our firm's Code of Ethics also provides employees with a summary of L.M. Kohn & Company's Social Media practices.

As a matter of firm policy, advertisements must be truthful and accurate and any advertising which is misleading, fraudulent, deceptive and/or manipulative is prohibited. The content and use of advertisements, sales literature, market letters, and recruiting material to interest and inform the public concerning securities and available investment services, and to make known the existence of career opportunities within the securities business, is closely regulated by the FINRA, SEC, and state securities commissions.

It is Company Policy that advertising and sales material must be:

1. Submitted through Financial Tracking and approved prior to use by Robert Chess, Mike Bell, or Compliance Department designee.

2. Approved through Financial Tracking by Robert Chess, Mike Bell, or Compliance Department designee prior to use.

Materials requiring prior Home Office approval include:

1. Newspaper, magazine, radio, television, or telephone book advertisements.

2. Three-way mailing cards

3. Form sales letters

4. Brochures describing services or products offered

5. Newsletters to clients

6. Seminar and meeting announcements

7. Recruiting ads and announcements

8. Reprints or research reports, newsletters, or securities articles

9. Internet and Web Pages promoting the IAR/RR and his/her products

Excluded from the prior Home Office approval requirement are:

1. Individual communications or letters concerning recommendations or advice to a particular client. Written communications are to be submitted for review.

2. Internal correspondence and information that is not distributed to members of the public marked "broker/dealer use only" where appropriate. Note: Information in correspondence designated "broker/dealer only" may not be passed on verbally to the public.

3. Prospectuses, offering circulars, shareholder reports and descriptive brochures which have been submitted to FINRA by the sponsor or the offering.

PROCEDURES:

1. The IAR should forward material requiring approval through the Financial Tracking system designated for Advertising submissions. Copies should be retained in the Branch Office and in the Home Office.

2. Written comments and/or approval will be returned to the IAR except in some cases, where it is difficult to determine whether sales material submitted is proper and appropriate. In this case, Robert Chess or Mike Bell will submit the sales material to FINRA for comments prior to publication. Review will take a minimum of three weeks.

3. The advertisement may then be published in accordance with the comments, if any, made by the Compliance Department. If there were any comments and corrections, a copy of the final ad, as published, must be forwarded to the Compliance Department no later than the day of first publication.

4. The Compliance Department will file the final ad with FINRA in Washington. Any comments received from FINRA will be communicated to the IAR for future reference.

We refer to the following sections of FINRA's Manual for information and guidance: Communications with the Public Article III, Section 35 - Rules of Fair Practice SEC Rule 134 - Tombstone Advertising - Para. 5281SEC Rule 135A - Generic Advertising - Para. 5282Mutual Fund Advertising - Para. 5285 The regulatory scheme relating to advertising has two basic principals:

1. Untrue or misleading statements are never permitted. No exceptions.

2. Statements offering new issues of securities to the public (including mutual funds and tax shelters) may be made only by, or when accompanied or preceded by, a prospectus or offering circular. There is a narrow exception called "tombstone advertising".

Therefore, in preparing material aimed at promoting the sale of a particular security, care must be taken to insure that the material is not misleading, and the material must be accompanied or preceded by a prospectus. If you wish to publish or distribute materials to the public to promote a particular product but do not wish to enclose a prospectus (seminar invitations, form letters, three-way mailers, newspaper or magazine ads), then you are very limited in what you can say. Basically, all you can do is indicate the name of the security, the general nature of the business of the issuer, and the price of the security; and, you must indicate the broker/dealer making the offer and offer a prospectus. If the security is not SEC registered, then you may also indicate the investment objective. See Rule 134, Paragraph 5251.

All communications with the public are subject to strict standards set forth by the SEC, FINRA, and state securities commissions. These communications include:

Advertising

Radio and Television Reports and Appearances

Internet Advertising

Sales Literature

Web Page

Public Speaking Engagements

All Verbal or Written Contact With the Public

Business Cards and Letterhead

Truthfulness and good taste are the basic criteria to be adhered to in any communication with the public. Omissions of material facts are just as misleading as exaggerations or inaccuracies.

The use of the FINRA's name on letterheads, circulars or other advertising material or literature is strictly regulated by Article VII, Section 2 of their by-laws. If you intend to use the FINRA name, the Compliance Department should be contacted for prior approval. The following are examples of some of the most common errors used within the context of a letter or announcements, notification purposes or on sales literature headings:

1. "John Doe, Registered with FINRA"

2. "L.M. Kohn & Company, a member of FINRA" - when used within the text of a letter or announcement

FINRA's name should only be used as a matter of record in trade directors or within the identifying heading on letterheads, booklet covers and sales literature headings.

The Securities Investor Protection Corporation is a membership organization which all persons registered as brokers or dealers must join if they conduct business with the public.

Article II, Section 4 of SIPC's by-law provides for the advertising statement and sets forth certain requirements, prohibitions and other guidelines for the use of the "official SIPC logo and explanatory statement."

A reproduction of the official symbol or the official advertising statement or the official explanatory statement shall be included in all advertising, except:

A) Signs or plates in the office or attached to the building or buildings in which the member's offices are located;

B) Listings in directories;

C) Classified or display advertisements relating to the recruitment of personnel;

D) Advertisements which do not exceed 10 square inches in space;

E) Advertisements not setting forth the name of the member;

F) Advertisements by radio or telephone recording which do not exceed 30 seconds in time;

G) Advertisements by television which do not exceed 15 seconds in time;

H) Advertisements relating to underwriting offerings, investment banking activities, mergers and acquisitions, and personnel announcements; and

I) Internal wires

Notwithstanding the above, advertisements or other material relating primarily to services or types of investments which might, if the official symbol, the official advertising statement, or the official explanatory statement were included therein, reasonable be deemed misleading to public customers, may not include any reference to SIPC except, where the applicable rules or regulations of any self-regulatory organization require, a forthright disclaimer of SIPC protection. An advertisement including the official symbol, the official advertising statement, or the official explanatory statement might be misleading if the Act as amended would not under most circumstances provide protection with respect to the investment or service advertised or if it might appear that SIPC protects or insures the quality of such investment or service. Matters to which the prohibition of this paragraph apply include, but are not limited to, those relating primarily to the following:

A) Direct investments in real estate and real estate or mortgage brokerage;

B) Insurance;

C) Investment services which are exclusively advisory in character;

D) Interests which are not included in the definition of the term "security" in the Act

Background

In December 2020, the SEC announced it had finalized reforms to modernize rules that govern investment adviser advertisements and compensation to solicitors under the Investment Advisers Act of 1940. The amendments create a single rule that replaces the previous advertising and cash solicitation rules, Rule 206(4)-1 and Rule 206(4)-3, respectively, creating the new Marketing Rule.

The Division of Examinations has published a Risk Alert, *Examinations Focused on the New Investment Adviser Marketing Rule* to inform SEC-registered investment advisers, including advisers to private funds, about upcoming review areas during examinations focused on the amended Advisers Act Rule 206(4)-1 (Marketing Rule). The compliance date for the Marketing Rule was November 4, 2022.

Advertisement

For purposes of this section, Advertisement is defined as:

1. Any direct or indirect communication an investment adviser makes to more than one person, or to one or more persons if the communication includes hypothetical performance, that offers the investment adviser's investment advisory services with regard to securities to prospective clients or investors in a private fund advised by the investment adviser or offers new investment advisory services with regard to securities to current clients or investors in a private fund advised by the investment adviser, but does not include:

a. Extemporaneous, live, oral communications;

b. Information contained in a statutory or regulatory notice, filing, or other required communication; or

c. A communication that includes hypothetical performance that is provided.

i. In response to an unsolicited request for such information from a prospective or current client or investor in a private fund advised by the investment adviser; or

ii. To a prospective or current investor in a private fund advised by the investment adviser in a one-on-one communication.

Testimonials and Endorsements

L.M. Kohn & Company does not permit the use of any testimonials or endorsements.

Substantiation Requirement

Investment advisers will need to be able to substantiate material statements of fact in advertisements. If an adviser is unable to substantiate the material claims of fact made in an advertisement when requested, then it will be presumed that the adviser did not have reasonable basis for their claim/belief.

Performance Advertising

An investment adviser may not include in any advertisement:

1. Any presentation of gross performance, unless the advertisement also presents net performance:

a. With at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and

b. Calculated over the same time period, and using the same type of return and methodology, as the gross performance.

2. Any performance results, of any portfolio or any composite aggregation of related portfolios, in each case other than any private fund, unless the advertisement includes performance results of the same portfolio or composite aggregation for one-, five-, and ten-year periods, each presented with equal prominence and ending on a date that is no less recent than the most recent calendar year-end; except that if the relevant portfolio did not exist for a particular prescribed period, then the life of the portfolio must be substituted for that period.

3. Any statement, express or implied, that the calculation or presentation of performance results in the advertisement has been approved or reviewed by the SEC.

4. Any related performance, unless it includes all related portfolios; provided that related performance may exclude any related portfolios if:

a. The advertised performance results are not materially higher than if all related portfolios had been included; and

b. The exclusion of any related portfolio does not alter the presentation of any applicable prescribed time periods

5. Any extracted performance, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio from which the performance was extracted.

6. Any hypothetical performance unless the investment adviser:

a. Adopts and implements policies and procedures reasonably designed to ensure that the hypothetical performance is relevant to the likely financial situation and investment objectives of the intended audience of the advertisement,

b. Provides sufficient information to enable the intended audience to understand the criteria used and assumptions made in calculating such hypothetical performance, and

c. Provides (or, if the intended audience is an investor in a private fund provides, or offers to provide promptly) sufficient information to enable the intended audience to understand the risks and limitations of using such hypothetical performance in making investment decisions.

Third-Party Ratings

An advertisement may not include any third-party rating, unless the investment adviser:

1. Has a reasonable basis for believing that any questionnaire or survey used in the preparation of the third-party rating is structured to make it equally easy for a participant to provide favorable and unfavorable responses, and is not designed or prepared to produce any predetermined result; and

2. Clearly and prominently discloses, or the investment adviser reasonably believes that the third-party rating clearly and prominently discloses:

a. The date on which the rating was given and the period of time upon which the rating was based;

b. The identity of the third party that created and tabulated the rating; and

c. If applicable, that compensation has been provided directly or indirectly by the adviser in connection with obtaining or using the third-party rating.

Responsibility

The Compliance Department has the responsibility for implementing and monitoring policy, and for reviewing and approving any advertising and marketing to ensure any materials are consistent with our policy and regulatory requirements. Robert Chess, Mike Bell, or Compliance Department designee is responsible for maintaining, as part of the L.M. Kohn & Company's books and records, copies of all advertising and marketing materials with a record of reviews and approvals in accordance with applicable recordkeeping requirements.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- All advertisements and promotional materials must be reviewed and approved prior to use by Robert Chess, Mike Bell, or another officer of the firm (other than the individual who prepared such material).
- The initialing and dating of the advertising and marketing materials will document approval.
- Each employee is responsible for ensuring that only approved materials are used and that approved materials are not modified without the express written approval of the designated officer.

- Robert Chess, Mike Bell, or Compliance Department designee must also review other written communications prepared for existing clients or prospective clients including any quarterly letters.

- Robert Chess, Mike Bell, or Compliance Department designee is responsible for maintaining copies of any advertising and marketing materials, including any reviews and approvals, for a total period of five years following the last time any material is disseminated.

Advisory Agreement

Policy

L.M. Kohn & Company's policy requires a written investment advisory agreement for each client relationship which includes a description of our services, discretionary/non-discretionary authority, advisory fees, important disclosures and other terms of our client relationship. L.M. Kohn & Company's advisory agreements meet all appropriate regulatory requirements and contain a non-assignment clause and do not contain any “hedge clauses.”

As part of L.M. Kohn & Company's policy, the firm also obtains important relevant and current information concerning the client's identity, occupation, financial circumstances and investment objectives, among many other things, as part of our advisory and fiduciary responsibilities.

The policy of L.M. Kohn & Company is to require a written advisory agreement for each advisory client and that the firm’s advisory agreements will meet all appropriate regulatory requirements.

It is L.M. Kohn & Company's policy to identify when a brokerage relationship is converting to an advisory relationship. If an account has been in brokerage status for over three months prior to converting to an advisory account, we require a conversion form that outlines the reasoning for the conversion as well as document the updated responsibilities forged in a new advisory relationship. The conversion form also requires a copy of the client's current open holdings, along with the dates they were acquired. This is for the purpose of knowing which ones will need to be excluded from billable assets. Additionally, it states that all commission-based UITs will be excluded from billable assets until maturity. Our L.M. Kohn Advisory Agreement asks the question on if the account is converting from brokerage to advisory, and if answered "Yes" the conversion form must accompany the advisory agreement.

A copy of such agreement will be maintained at the home office, as well as the RIA place of business. A master list of all RIA advising accounts will be housed separately from the RIA’s brokerage and insurance files, and available for review. All contracts must be made available for review immediately at the RIA’s place of business. L.M. Kohn & Company further permits only non-discretionary accounts.

Background

Written advisory agreements form the legal and contractual basis for an advisory relationship with each client and as a matter of industry and business best practices provide protections for both the client and an investment adviser. An advisory agreement is the most appropriate place for an adviser to describe its advisory services, fees, liability, and disclosures for any conflicts of interest, among other things.

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of the firm’s advisory agreement policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company's advisory agreements, advisory fee schedules and any changes for the firm's services are approved by management.
- The fee schedules are periodically reviewed by L.M. Kohn & Company to be fair, current and competitive.
- The firm will review the LMK Commission Account To Advisory Account Conversion Authorization Form for adequacy and appropriateness.
- Mike Bell, Robert Chess, Kristin Hobbs or Carl R. Hollister periodically review the firm's disclosure brochure, marketing materials, advisory agreements and other material for accuracy and consistency of disclosures regarding advisory services and fees.
- Performance-based fee arrangements, if any, are appropriately disclosed, reviewed and approved by the designated officer and/or management.
- Written client investment objectives or guidelines are obtained, or recommended as part of a client's advisory agreement.
- Client investment objectives or guidelines are monitored on an on-going and periodic basis for consistency with client investments/portfolios.
- Any solicitation/referral arrangements and solicitor/referral fees must be in writing, reviewed and approved by Larry M. Kohn or Carl R. Hollister, meet regulatory requirements and have appropriate records maintained.
- Any additional compensation arrangements are to be monitored by Larry M. Kohn or Carl R. Hollister, approved and disclosed with appropriate records maintained.

Advisory Fees

Policy

L.M. Kohn & Company details the terms of our clients' advisory fees and expenses in an advisory agreement and describes it in our Form ADV and other materials provided to the client.

As a matter of policy and practice, L.M. Kohn & Company has also adopted and implemented written policies and procedures designed to prevent failing to adhere to the terms of any client agreements and disclosures, or otherwise engage in inappropriate fee billing and expense practices.

Background

Proper fee billing has continued to be a consistent focus for the SEC. On April 12, 2018, the Office of Compliance Inspections and Examinations (OCIE) issued a National Exam Program Risk Alert, providing a list of compliance issues relating to fees and expenses that were most frequently identified in deficiency letters sent to investment advisers.

According to OCIE, the most frequent compliance issues it found related to advisory fees and expenses as of 2018 are:

- Fee-billing based on incorrect account valuations;
- Billing fees in advance or with improper frequency;
- Applying incorrect fee rate;
- Omitting rebates and applying discounts incorrectly;
- Disclosure issues involving advisory fees; and
- Adviser expense misallocations.

Our policy and the procedures set forth below are designed to address these regulatory concerns and reasonably ensure that L.M. Kohn & Company's fees are accurate.

Responsibility

L.M. Kohn & Company's is responsible for the implementation of the firm's Advisory Fees, maintaining relevant records regarding the policies and procedures, and documenting these reviews.

Procedure

L.M. Kohn & Company has adopted procedures to implement L.M. Kohn & Company's policy, and conducts internal reviews to monitor and ensure that the policy is observed, implemented properly, and amended or updated, as appropriate.

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Agency Cross Transactions

Policy

L.M. Kohn & Company's policy and practice is to NOT engage in any agency cross transactions and our firm's policy is appropriately disclosed in Form ADV Part 1 and Part 2A responses.

L.M. Kohn & Company does not engage in principal and / or agency cross transactions for or with advisory accounts.

Background

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction (SEC Rule 206(3)-2(b)). Agency cross transactions typically may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Agency cross transactions are permitted for advisers only if certain conditions are met under Advisers Act rules including prior written consent, client disclosures regarding trade information and annual disclosures, among other things.

Responsibility

The Compliance Department has the overall responsibility for implementing and monitoring our policy of not engaging in any agency cross transactions.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated as appropriate, which include the following:

- L.M. Kohn & Company's policy of prohibiting any agency cross transactions for advisory clients has been communicated to relevant individuals including portfolio managers, traders and others.
- The policy is appropriately disclosed in the firm's Form ADV.
- The Compliance Department periodically monitors the firm's advisory services and trading practices to help insure that no agency cross transactions occur for advisory clients.
- In the event of any change in the firm's policy, any such change must be approved by Mike Bell. Any agency cross transactions would only be allowed after appropriate authorizations, reviews, approvals, disclosures, reporting and the meeting of appropriate regulatory requirements and maintaining proper records.
- Purchases and sales of securities for advsiory clients will be done an agency basis, for non wrap accounts an agency commission will be charged and shown to cover order execution and processing. Sales will be completed by comparing prices reported to FINRA under Market Data for TRAQs eligible securities and by EMMA under the MSRB website for municipal securities.

Bona fide brokers brokers as well as other dealers will be used to obaain best available pricing for size and liquididty.

Annual Compliance Reviews

Policy

As a SEC registered adviser, it is L.M. Kohn & Company's policy to conduct an annual review of the firm's policies and procedures to determine that they are adequate, current and effective in view of the firm's businesses, practices, advisory services, and current regulatory requirements. Our policy includes amending or updating the firm's policies and procedures to reflect any changes in the firm's activities, personnel, or regulatory developments, among other things, either as part of the firm's annual review, or more frequently, as may be appropriate, and to maintain relevant records of such reviews.

Background

In December 2003, the SEC adopted Rule 206(4)-7, *Compliance Programs of Investment Companies and Investment Advisers* (Compliance Program Rule) under the Advisers Act and Investment Company Act, (SEC Release Nos. IA-2204 and IC-26299). The rules require SEC registered advisers and investment companies to adopt and implement written policies and procedures designed to detect and prevent violations of the federal securities laws. The rules are also designed to protect investors by ensuring all funds and advisers have internal programs to enhance compliance with the federal securities laws. Among other things, the rules require that advisers and investment companies annually review their policies and procedures for their adequacy and effectiveness and maintain records of the reviews. A Chief Compliance Officer must also be designated by advisers and investment companies to be responsible for administering the compliance policies, procedures and the firm's annual reviews.

The required reviews are to consider any changes in the adviser's or fund's activities, any compliance matters that have occurred in the past year and any new regulatory requirements or developments, among other things. Appropriate revisions of a firm's or fund's policies or procedures should be made to help ensure that the policies and procedures are adequate and effective. Advisers and funds were to have completed their first annual review within eighteen months of the approval of their compliance policies and procedures.

The SEC made amendments to the Adviser’s Act’s Compliance Rule in August 2023 to require all investment advisers to document their annual review of their compliance policies and procedures in writing. No specific format for the written documentation was provided.

Responsibility

Mike Bell, Robert Chess, and such other persons as may be designated have the overall responsibility and authority to develop and implement the firm’s compliance policies and procedures and to conduct an annual review to determine their adequacy and effectiveness in detecting and preventing violations of the firm’s policies, procedures or federal securities laws. The Compliance Department also has the responsibility for maintaining relevant records regarding the policies and procedures and documenting these reviews in writing.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- on at least an annual basis, Mike Bell, Robert Chess, and such other persons as may be designated, will undertake a complete review of all L.M. Kohn & Company's written compliance policies and procedures and document this review in writing.
- the review will include a review of each policy to determine the following:

  (a) adequacy;
  (b) effectiveness;
  (c) accuracy;
  (d) appropriateness for the firm's or fund's current activities
  (e) current regulatory requirements;
  (f) any prior policy issues, violations or sanctions; and
  (g) any changes or updates that may otherwise be required or appropriate.

- the annual review process should also consider and assess the risk areas for the firm and review and update any risk assessments in view of any changes in advisory services, client base and/or regulatory developments;
- The Compliance Department, will coordinate the review of each policy with an appropriate person, department manager, management person or officer to ensure that each of the firm's policies and procedures is adequate and appropriate for the business activity covered, *e.g.,* a review of trading policies and procedures with the person responsible for the firm's trading activities;
- The Compliance Department, will revise or update any of the firm's policies and/or procedures as necessary or appropriate and obtain the approval of the person, department manager, management person or officer responsible for a particular activity as part of the review.
- The Compliance Department will obtain the approval of the firm's compliance policies and procedures from the appropriate senior management person or officer, or chief executive officer;
- the firm's annual reviews will include a consideration of any prior violations or issues under any of the firm's policies or procedures with any revisions or amendments to the policy or procedures designed to address such violations or issues to help avoid similar violations or issues in the future;
- The Compliance Department will maintain hardcopy or electronic records of the firm's policies and procedures as in effect from its date of registration as an investment adviser;
- The Compliance Department will also maintain an Annual Compliance Review file for each year which will include and reflect any revisions, changes, updates, and materials supporting such changes and approvals, of any of the firm's policies and/or procedures;
- The Compliance Department will also conduct more frequent reviews of the L.M. Kohn & Company's policies or procedures, or any specific policy or procedure, in the event of any change in personnel, business activities, regulatory requirements or developments, or other circumstances requiring a revision or update; and
- relevant records of such additional reviews and changes will also be maintained by the Compliance Department.

Anti-Money Laundering

Policy

It is the policy of L.M. Kohn & Company to seek to prevent the misuse of the funds it manages, as well as preventing the use of its personnel and facilities for the purpose of money laundering and terrorist financing. L.M. Kohn & Company has adopted and enforces policies, procedures and controls with the objective of detecting and deterring the occurrence of money laundering, terrorist financing and other illegal activity. Anti-money laundering (AML) compliance is the responsibility of every employee. Therefore, any employee detecting any suspicious activity is required to immediately report such activity to the AML Compliance Officer. The employee making such report should not discuss the suspicious activity or the report with the client in question.

I. The USA PATRIOT Act

A. Signed Oct. 26, 2001, Title III of the Uniting and Strengthening America by Providing Appropriate Tools to Intercept and Obstruct Terrorism Act catalyzed a movement to implement anti-money laundering programs in American financial institutions and broaden existing Bank Secrecy Act requirements.

1. Following the September 11, 2001 terrorist attacks, The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 (Title III of PATRIOT Act) encouraged global opposition to the criminal manipulation of the financial markets.

2. Enhancement of requirements for types of institutions bound to the Bank Secrecy Act to be more inclusive of securities firms.

B. Encouraged greater awareness and control by regulatory organizations over the securities industry.

II. L.M.K. Policy Restrictions on High-Risk Transactions

A. No use of cash permitted for any transaction.

B. Must know the identity of the end client when performing securities transactions or movement-of-funds transactions.

C. Must know entities sending and receiving funds in wire transfers and similar transactions.

D. Know Your Customer

1. Business involved, net worth, age, investment experience, risk tolerance.

2. Use of the Office of Foreign Assets Control (OFAC) “Specially Designated National and Blocked Persons” list.

E. Monitor accounts with heightened vigilance.

III. Reporting of Suspicious Activity

A. Proposed stronger requirements demand the filing of Suspicious Activity Reports (SARs).

1. The 2001 National Money Laundering Strategy indicates securities industry is a potential channel for money laundering.

2. Suggests enhancing and strengthening the requirements for the use of SARs among securities firms.

B. SEC regulations pending for required SAR filing.

IV. Compliance Officers designated to communicate between regulatory bodies and L.M.K. employees and representatives.

V. Employee AML Training Programs

On an annual basis, all appropriately designated registered and non-registered personnel are required to complete our Training Program. Such Training Program will consist of utilizing on-line training materials available by National Regulatory Services.

Background

On October 26, 2001, the President signed into law the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act). Prior to the passage of the USA PATRIOT Act, regulations applying the anti-money laundering provisions of the Bank Secrecy Act (BSA) were issued only for banks and certain other institutions that offer bank-like services or that regularly deal in cash. The USA PATRIOT Act required the extension of the anti-money laundering requirements to financial institutions, such as registered and unregistered investment companies, that had not previously been subjected to BSA regulations.

On August 25, 2015, the Financial Crimes Enforcement Network (FinCEN) issued for public comment a notice of proposed rulemaking (NPRM) that would prescribe minimum standards for anti-money laundering programs to be established by certain investment advisers, file reports of suspicious activity to FinCEN pursuant to the Bank Secrecy Act ("BSA"), and comply with certain other requirements. FinCEN also proposed including certain investment advisers in the general definition of "financial institution" in rules implementing the BSA.

Foreign Sanctions Evaders List. The Treasury Department's Office of Foreign Assets Control created a new list – the Foreign Sanctions Evaders List ("FSE List") in February 2014, identifying non-U.S. persons and entities that have engaged in conduct evading U.S. economic sanctions with respect to Iran or Syria.

As OFAC has elected to maintain a separate FSE List rather than incorporate the FSE entries on the SDN List, advisers should screen their counterparties against both lists.

While currently there are no anti-money laundering rules imposed directly on investment advisers, advisers may agree to perform some or all of a broker-dealer's CIP (Customer Identification Program) obligations subject to certain conditions set forth in a series of no-action letters issued by the SEC's Division of Trading and Markets (the "Division").

On December 12, 2016 the Division once again extended relief that allows broker-dealers to rely on registered investment advisers to satisfy the broker-dealer's CIP obligations for shared customers under certain conditions (the "2016 Letter"). The 2016 Letter represents the eight extension since the Division originally provided relief in a no-action letter issued on February 12, 2004 (the "2004 Letter"). Most notably, the no-action letter issued on January 11, 2011 (the "2011 Letter") imposed new requirements on the adviser that must be set forth in a contract entered into by the adviser and the broker-dealer in addition to retaining the conditions set forth in the 2004 letter. The most recent letter extends the no-action position in the 2011 Letter for an additional two years (i.e., until December 12, 2018). In May 2016, FinCEN issued rules intended to clarify and strengthen customer due diligence requirements for 'covered financial institutions.' These new rules include Beneficial Ownership Requirements for legal entity customers, which contain a reliance provision similar to one contained in the CIP Rule permitting a covered financial institution to rely on the performance by another financial institution of the rule's requirements subject to certain conditions, including that the other financial institution is subject to an AML Program Rule.

The 2016 Letter extends the no-action position set forth in the previous letter (issued 1/9/2015) until the earlier of: (i) the date upon which an AML Program Rule for investment advisers becomes effective, or (ii) two years from the date of this letter. (See *Securities Industry and Financial Markets Association* SEC No-Action letter dated December 12, 2016.)

Anti-Money Laundering Act of 2020

The Anti-Money Laundering Act of 2020 (AMLA) passed in January 2020, and covers, among other things: 1) expanded whistleblower rewards and protections, 2) the establishment of a beneficial ownership registration database that will be implemented by the Financial Crimes Enforcement Network (FinCEN), and 3) new Bank Secrecy Act (BSA) violations.

AMLA's Whistleblower Program closely mirrors the whistleblower programs established as a result of the Dodd-Frank Act, and 1) narrows the government's discretion to pay an award, 2) increases the potential amount of whistleblower awards and 3) provides protections specific to money laundering whistleblowers. The provision also prohibits employers from engaging in retaliatory acts, such as discharging, demoting, threatening or harassing employees who provide information relating to money laundering.

Under the AMLA, FinCEN will maintain a nonpublic beneficial ownership database. This database will be the result of new requirements that certain "reporting companies" provide beneficial ownership information to FinCEN. This requirement is separate from state requirements. Although the requirement

exempts most regulated entities, publicly traded companies, nonprofits, inactive companies, and operating businesses over certain size limits would be required to file information with FinCEN. Those required to register must disclose their beneficial owners, generally defined as those who directly or indirectly "exercise substantial control" over the entity or who own or control more than 25 percent of the ownership interest of such entities.

Further, the AMLA expands the US government's authority to subpoena records from foreign financial institutions that maintain a correspondent bank account in the United States, allowing investigators to seek "any records relating to the corresponding account or any account at the foreign bank, including records maintained outside the United States .." so long as the records are relevant to at least one of several enumerated types of investigations.

In March 2021, the SEC's Division of Examinations published its exam priorities for the year, including firms' compliance with AML obligations in order to assess, among other things, whether they have

established appropriate customer identification programs and whether they are satisfying their SAR filing obligations, conducting due diligence on customers, complying with beneficial ownership requirements, and conducting robust and timely independent tests of their AML programs. The goal of these examinations is to evaluate whether firms have adequate policies and procedures in place that are reasonably designed to identify suspicious activity and illegal money-laundering activities.

Responsibility

L.M. Kohn & Company has designated Drew L. Kohn as L.M. Kohn & Company's AML Compliance Officer.

In this capacity, the AML Compliance Officer is responsible for coordinating and monitoring the firm's AML program as well as maintaining the firm's compliance with applicable AML rules and regulations. The AML Compliance Officer will review any reports of suspicious activity which have been observed and reported by employees.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Client Identification Procedures

As part of L.M. Kohn & Company's AML program, the firm has established procedures to ensure that all clients' identities have been verified before an account is opened.

Before opening an account for an individual client, L.M. Kohn & Company will require satisfactory documentary evidence of a client's name, address, date of birth, social security number or, if applicable, tax identification number. Before opening an account for a corporation or other legal entity, L.M. Kohn & Company will require satisfactory evidence of the entity's name, address and that the acting principal has been duly authorized to open the account. L.M. Kohn & Company conducts an OFAC check in

coordination with the opening of every newly established account. The AML Compliance Officer will retain records of all documentation that has been relied upon for client identification for a period of five years.

Prohibited Clients

L.M. Kohn & Company will not open accounts or accept funds or securities from, or on behalf of, any person or entity whose name appears on either the List of Specially Designated Nationals and Blocked Persons, or the Foreign Sanctions Evaders List maintained by the U.S. Office of Foreign Assets Control, from any Foreign Shell Bank or from any other prohibited persons or entities as may be mandated by applicable law or regulation.

L.M. Kohn & Company will also not accept high-risk clients (with respect to money laundering or terrorist financing) without conducting enhanced, well-documented due diligence regarding such prospective client.

Annual Training and Review

The AML Compliance Officer will conduct annual employee training programs for appropriate personnel regarding the AML program. Such training programs will review applicable laws, regulations and recent trends in money laundering and their relation to L.M. Kohn & Company's business. Attendance at these programs is mandatory for appropriate personnel, and session and attendance records will be retained for a five-year period.

The AML program will be reviewed annually by the AML Officer, the Chief Compliance Officer or an independent auditor. The review of the AML program will be conducted as part of the firm's Annual Compliance Program Review of the policies and procedures. The AML review will also evaluate L.M. Kohn & Company's AML program for compliance with current AML laws and regulations.

In addition, L.M. Kohn & Company has contractually agreed to assume [some **OR** all] of the broker-dealer's CIP obligations. As set forth in the agreement between our firms,

1. our firm will update our AML Program as necessary to implement changes in applicable laws and guidance;
2. L.M. Kohn & Company (or our agent) will perform the specified requirements of the broker-dealer's CIP in a manner consistent with Section 326 of the PATRIOT Act;
3. we will promptly disclose to the broker-dealer potentially suspicious or unusual activity detected as part of the CIP being performed on the broker's behalf in order to enable that firm to file a Suspicious Activity Report ("SAR"), as appropriate based on the broker-dealer's judgment;
4. we will annually certify to the broker-dealer that the representations made in the contractual agreement are accurate and that our firm is in compliance with its representations; and
5. will promptly provide books and records in connection with our performance of the broker-dealer's CIP obligations to the SEC, a self-regulatory organization ("SRO") that maintains jurisdiction over the broker, or to authorized law enforcement agencies, either directly through the broker or at the request of (a) the broker-dealer, (b) the SEC, (c) the SRO maintaining jurisdiction over such broker-dealer, or (d) an authorized law enforcement agency.

Best Execution

Policy

As an investment advisory firm, L.M. Kohn & Company has a fiduciary and fundamental duty to seek best execution for client transactions.

L.M. Kohn & Company, as a matter of policy and practice, seeks to obtain best execution for client transactions, *i.e.,* seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

L.M. Kohn & Company, as a fiduciary to our advisory clients, endeavors to seek best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission cost but the best overall qualitative execution. As part of our firm's policy, our best execution practices include gathering relevant information, monitoring our trading activities and periodically reviewing, and evaluating the services provided by broker/dealers, quality of executions, research commission rates, and overall relationships, among other things. All trades must be cleared through RBC Dain Correspondent Services (clearing firm for L.M. Kohn and Company). If trades are executed away from L.M. Kohn and Company, prior approval is required with copies or client statements being sent to the compliance department of L.M. Kohn and Company.

All trades will be directed toward best execution. Trades entered through brokerage firms other than RBC Capital Markets Corporation will be requested to the primary market. All trades executed though RBC Capital Markets Corporation will be routed through DOT for best execution. Currently, trades may be entered through Knight/Trimark for best execution as well.

Background

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an adviser must consider the full range and quality of a broker-dealer's services, including execution capability, commission rates, and the value of any research, financial responsibility, and responsiveness, among other things.

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of our best execution policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- As part of L.M. Kohn & Company's brokerage and best execution practices, L.M. Kohn & Company has adopted and implemented written best execution practices and designated Carl R. Hollister.
- Carl R. Hollister has responsibility for monitoring our firm’s trading practices, gathering relevant information, periodically reviewing and evaluating the services provided by broker-dealers, the quality of executions, research, commission rates, and overall brokerage relationships, among other things.
- L.M. Kohn & Company may also maintain and periodically update an "Approved Broker-Dealer List" based upon the firm's reviews.
- L.M. Kohn & Company also conducts periodic reviews of the firm’s brokerage and best execution policies and documents these reviews, and discloses a summary of brokerage and best execution practices in our Form ADV Part II.
- A Best Execution file is maintained for the information obtained and used in L.M. Kohn & Company's periodic best execution reviews and analysis and to document the firm’s best execution practices.

Books and Records

It is the policy of L.M. Kohn & Company to maintain, in an appropriate and well-organized manner, any and all books and records required under the Advisers Act and any applicable state regulations as appropriate for the firm's business.

It is also the firm's policy to retain, on firm premises, for two years, and (at least) an additional three years in a readily accessible place, all appropriate and required records under the Advisers Act and any state regulations.All client records will be held for a period of at least seven (7) years for those clients who maintain a brokerage account through L.M. Kohn & Company at RBC Capital Markets Corporation, the clearing firm for L.M. Kohn & Company.

Background

Registered investment advisers, as regulated entities, are required to maintain specified books and records. There are generally two groups of books and records to be maintained. The first group is financial records for an adviser as an on-going business such as financial journals, balance sheets, bills, etc. The second general group of records is client related files as a fiduciary to the firm's advisory clients and these include agreements, statements, correspondence and advertising, trade records, among many others.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Angela M. Boehm has the responsibility for the firm's filing systems for the books, records and files required to be maintained by L.M. Kohn & Company. L.M. Kohn & Company's filing systems for records, whether stored in files or electronic media, are designed to meet the firm's policy, business needs and regulatory requirements as follows:

- Arranging for easy location, access and retrieval;
- Having available the means to provide legible true and complete copies;
- For records stored on electronic media, back-up files are made and such records stored separately;
- reasonably safeguarding all files, including electronic media, from loss, alteration or destruction;
- limiting access by authorized persons to L.M. Kohn & Company's records and;
- ensuring that any non-electronic records that are electronically reproduced and stored are accurate reproductions.
- Periodic reviews may be conducted by the designated officer, individual or department managers to monitor L.M. Kohn & Company's recordkeeping systems, controls, and firm and client files.

California Consumer Privacy Act

Background

This California Consumer Privacy Act Disclosure ("Disclosure') explains how L.M. Kohn & Company collects, uses, and discloses personal information relating to California residents that is subject to the California Consumer Privacy Act of 2018 ("CCPA"). The law applies to any business that has more than $25 million in revenue, or buys or sells the personal information of 50,000 or more consumers, or derives 50 percent or more of its annual revenue from selling consumers' personal information, and that does any amount of business in the State of California. **L.M. Kohn & Company, at this time, does not meet any of the requirements listed (i.e., more than $25 million in revenues, etc.) for the law to have direct applicability to the firm.**

What is Personal Information?

Under the CCPA, "Personal Information" is information that identifies, relates to, or could reasonably be linked with a particular California resident or household. The CCPA, however, does not apply to certain information, such as information subject to certain federal privacy laws, such as the Gramm-Leach-Bliley Act ("GLBA"); the Fair Credit Reporting Act ("FRCA"); and the Health Insurance Portability and Accountability Act ("HIPAA"). Additionally, personal information does not include publicly available information from government records and de-identified or aggregated consumer information.

Collection, Use, and Disclosure of Personal Information

We collect personal information relating to California residents who request or obtain our products or services for themselves ("Consumers'). The specific personal information that we collect, use, and disclose relating to a California resident will depend on our relationship or interaction with that individual.

In the past 12 months, we have collected the following categories of personal information relating to California residents:

- (1) Identifiers, such as name and Social Security number;
- (2) Personal information, as defined in the California safeguards law, such as contact information and financial information;
- (3) Characteristics of protected classifications under California or federal law, such as sex and marital status;
- (4) Commercial information, such as transaction and account information;
- (5) Internet or network activity information, such as browsing history and interactions with our website;
- (6) Geolocation data, such as device location;
- (7) Audio, electronic, visual, thermal, olfactory, and similar information, such as call recordings;
- (8) Professional or employment-related information, such as work history and prior employer;
- (9) Education information, such as school and data of graduation; and

- (10) Inferences drawn from any of the personal information listed above to create a profile/summary about, for example, an individual's preferences and characteristics.

The purposes for which we use the personal information that we collect depends on our relationship or interaction with a specific California resident. We use personal information to operate, manage, and maintain our business, to provide our products and services, and to accomplish our business purposes and objectives. For example, we use personal information to facilitate communications; conduct risk and security control and monitoring; detect and prevent fraud; perform identity verification; perform compliance, audit, and other internal functions, such as internal investigations; comply with legal process, regulatory requests, and internal policies; and for maintenance of records.

In the past 12 months, we have disclosed the following categories of personal information relating to California residents to affiliated and nonaffiliated third parties for our business purposes:

- (1) Identifiers, such as name and Social Security number;
- (2) Personal information, as defined in the California safeguards law, such as contact information and financial information;
- (3) Characteristics of protected classifications under California or federal law, such as sex and marital status;
- (4) Commercial information, such as transaction and account information;
- (5) Internet or network activity information, such as browsing history and interactions with our website;
- (6) Geolocation data, such as device location;
- (7) Audio, electronic, visual, thermal, olfactory, and similar information, such as call recordings;
- (8) Professional or employment-related information;
- (9) Education information, such as school and data of graduation; and
- (10) Inferences drawn from any of the personal information listed above to create a profile/summary about, for example, an individual's preferences and characteristics.

In the past 12 months, however, we have not "sold" personal information relating to California residents within the meaning of the CCPA. For purposes of this Disclosure, "sold" means the disclosure of personal information for monetary or other valuable consideration.

Change of Ownership

Guidelines

These guidelines are to be in effect when any kind of "transfer of ownership" occurs. This includes, but is not limited to third-party check requests, requests requiring a LOA, and third-party wire requests. In addition to the required RBC form or LOA for a transaction that involves a transfer of ownership, LM Kohn & Company also requires a “Change of Ownership” form which documents verbal confirmation of transaction(s) with the customer.

All RBC outgoing wires require Home Office Principal Supervisor approval prior to being submitted to RBC. Once the RBC wire transfer form is received, the Home Office Principal Supervisor will contact the client directly (via the phone number(s) provided in the RBC BetaLink system) and will ask a series of security related questions to help verify the customer's authenticity. If unable to reach the client, then the wire will not go out. As mentioned previously in this section, third- party wires also require a separate "Change of Ownership" form and this form documents verbal confirmation of the transaction(s) with the customer.

The requirements/exceptions are as follows: **Requirements:** For fund direct paperwork, each request should be accompanied by a copy of the evidence of ownership for the account (i.e., fund company statement, DST Vision print out, etc.). All signatories must have attained the age of majority and reasonably appear to be in control of their affairs. If the person signing is someone other than the registered owner, we must retain a copy of their legal capacity to sign for the registered owner (i.e., Power of Attorney, court appointment of executor or administrator, etc.). This must be presented with the request. Never submit an incomplete form or document for approval. Incomplete requests will be rejected. **Exceptions:** Transferring assets between a joint account and an individual or retirement account when both owners are spouses. Transferring assets or sending a check and the recipient is a charity. This applies only if the charity chosen is a qualified 501(c)(3) that meets the definition of a non-profit organization. Proof, such as a website disclosure or other form of verification, must be provided to evidence that the organization is a legitimate 501(c)(3) qualified charity. Transferring assets from one account to another when the Tax ID # is the same (i.e., individual account to revocable trust account, custodian account to individual account when the minor has attained the age of majority, etc.). Transferring from an individual to a custodian account if the funds are coming from a parent of the minor, or from the custodian of the account if that individual is some other relation to the minor. Distributions to the participant in a qualified retirement plan (Profit Sharing Plan, 401k, etc.) when the trustee's instructions are accompanied by a copy of the distribution form signed by the participant. Distributions to the beneficiaries listed in a trust when the specific beneficiary distribution pages of the trust are accompanied by a copy of the death certificate. Qualified Charitable Distributions (QCDs). 529 plan contribution(s) coming from and to the same account owner.

Cloud Computing

Policy

As an extension of L.M. Kohn & Company's Cybersecurity policy, we recognize the critical importance of safeguarding clients' personal information as well as the confidential and proprietary information of the firm and our employees with regards to cloud computing. This policy provides guidance to employees (also referred to as "Users") regarding the appropriate use of our information technology resources and cloud-based data (including non-public private information, confidential, or sensitive data).

Background

The availability of high-capacity networks, low-cost computers, and storage devices as well as the widespread adoption of hardware virtualization has led to growth in cloud computing. Cloud computing services, such as those that offer software as a service (e.g. cloud-based email, online calendars, online word processors, etc.) or provide cloud-based storage of documents and other data, aim to cut costs, and helps the users focus on their core business instead of being impeded by IT obstacles. Due to the popularity of cloud computing, it has become an increasing compliance and risk management challenge.

Responsibility

L.M. Kohn & Company's cloud computing policies and procedures have been adopted pursuant to approval by the firm's senior management. The Compliance Department is responsible for reviewing, maintaining, and enforcing these policies and procedures to ensure meeting L.M. Kohn & Company's overall cloud computing goals and objectives.

Procedure

Users of the firm are permitted to access and use, for business-related purposes, cloud-based applications. This must be done through an enterprise account of the firm, rather than by setting up a personal account. The firm's procedures, which apply to both Users who are on-premises or working remotely, include the following:

- L.M. Kohn & Company has downloaded and keeps on file, a Non-Disclosure Agreement (NDA) and/or Privacy Policy for each provider;
- Due diligence has been conducted on the cloud service provider prior to signing an agreement or contract, and as part of the due diligence, the firm as evaluated whether the cloud service provider has safeguards against breaches and a documented process in the event of breaches;
- L.M. Kohn & Company's IT department will create guidelines for security controls and baseline security configuration standards and ensure that the security settings for the cloud service provider are configured in accordance to our firm's standards;
- L.M. Kohn & Company will keep records of the different types of data stored in the cloud and the appropriate controls for each type of data;

- On a periodic basis, L.M. Kohn & Company will check for and implement any software patches, followed by reviews to ensure that the patches did not unintentionally change, weaken, or otherwise modify the security configuration;
- L.M. Kohn & Company has created an automated method to transfer any data stored in the cloud;
- L.M. Kohn & Company archives all records for a minimum of five years;
- At least (quarterly/annually) L.M. Kohn & Company performs a regular electronic records review;
- Users may not use non-approved cloud-based applications to create, receive, transmit, or maintain confidential or sensitive information;
- Users must keep log-in credentials secure and protected against unauthorized access;
- Users may not conduct business through personal cloud-based e-mail accounts or other cloud-based application;
- L.M. Kohn & Company is familiar with the restoration procedures in the event of a breach or loss of data stored through the cloud service;
- Any data containing sensitive or personally identifiable information is encrypted;
- If the firm allows remote access to its network (e.g. through the use of VPN), the VPN of access of employees is monitored;
- L.M. Kohn & Company has adopted procedures in the event that the cloud service provider is purchased, closed, or otherwise unable to be accessed; and
- Upon termination of any access person's employment status, log-in credentials will be disabled to protect unauthorized access to confidential or sensitive information belonging to the firm and its customers.

Code of Ethics

Policy

L.M. Kohn & Company, as a matter of policy and practice, and consistent with industry best practices and SEC requirements (SEC Rule 204A-1 under the Advisers Act and Rule 17j-1 under the Investment Company Act, which is applicable if the firm acts as investment adviser to a registered investment company), has adopted a written Code of Ethics covering all supervised persons. Our firm's Code of Ethics requires high standards of business conduct, compliance with federal securities laws, reporting and recordkeeping of personal securities transactions and holdings, reviews and sanctions. The firm's current Code of Ethics, and as amended, while maintained as a separate document, is incorporated by reference and made a part of these Policies and Procedures.

L.M. Kohn & Company's policy does allow employees to maintain personal securities accounts provided any such personal investing by the employee or any immediate family or household member is consistent with the firm's fiduciary duty to our clients. Financial Tracking is being used to monitor outside brokerage accounts through data feeds provided by the custodians who hold the accounts. Transaction exceptions flagged on the system are reviewed by the Compliance Department. Employees must report all outside brokerage accounts to the firm and provide copies of all statements, confirms or reports of transactions in accounts not being monitored through Financial Tracking. These must be provided to the Compliance Department on a regular basis.

All securities licensed personnel, including investment advisory representatives will direct their personal brokerage firm(s) to send duplicate confirmations and account statements to L.M. Kohn & Company c/o Compliance Dept. All personnel carrying brokerage accounts through L.M. Kohn & Company at RBC Capital Markets Corporation will have their trade confirmations reviewed by a principal at L.M. Kohn & Company, and the same procedures will be in force for account statements.

It is currently not permitted for an Investment Adviser Representative to maintain a discretionary account, eliminating many issues pertaining to personal investing. If a fiduciary question arises, the Investment Adviser Representative must receive permission from Carl Hollister, Robert Chess, or Mike Bell in writing prior to processing any transactions.

Background

In July 2004, the SEC adopted an important rule (Rule 204A-1) similar to Rule 17j-1 under the Investment Company Act, requiring SEC advisers to adopt a code of ethics. The new rule was designed to prevent fraud by reinforcing fiduciary principles that govern the conduct of advisory firms and their personnel.

An investment adviser's Code of Ethics and related policies and procedures represent a strong internal control with supervisory reviews to detect and prevent possible insider trading, conflicts of interest and potential regulatory violations.

Responsibility

Carl R. Hollister has the primary responsibility for the preparation, distribution, administration, periodically reviews, and monitoring our Code of Ethics, practices, disclosures, sanctions and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy on personal securities transactions and our Code of Ethics and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended, as appropriate, which include the following:

- formal adoption of the firm's Code of Ethics by management;
- the Compliance Department distributes the current Code of Ethics annually to all supervised persons and to all new supervised persons upon hire;
- each supervised person must acknowledge receipt of the firm's Code of Ethics initially upon hire and annually and return a signed acknowledgement/certification form to the Compliance Department;
- the Compliance Department conducts a review of the firm's Code of Ethics at least annually and update the Code of Ethics as may be appropriate;
- the Compliance Department obtains and reviews access persons' personal transactions/holdings reports quarterly;
- the Compliance Department retains and conducts a review at least annually of relevant Code of Ethics records as required, including but not limited to, Codes of Ethics, as amended from time to time, acknowledgement/certification forms, records identifying individuals deemed to be access persons of the firm, initial and annual holdings reports, reports of personal securities transactions, violations and sanctions, among other documentation;
- the firm provides initial and annual education about the Code of Ethics, and each person's responsibilities and reporting requirements, under the Code of Ethics;
- the firm's Form ADV is reviewed annually and amended, when necessary, by the Compliance Department to appropriately disclose a summary of the firm's Code of Ethics which includes an offer to deliver a copy of the Code upon request by an existing or prospective advisory client; and
- the Compliance Department is responsible for receiving and responding to any client requests for the firm's Code of Ethics and maintaining required records.

Complaints

Policy

As a registered adviser, and as a fiduciary to our advisory clients, our firm has adopted this policy, which requires a prompt, thorough and fair review of any advisory client complaint, and a prompt and fair resolution which is documented with appropriate supervisory review.

For purposes of this policy, a complaint shall be considered any written or verbal statement on the part of a client or any person representing the client: (1) alleging a grievance pertaining to his/her account, or (2) requesting corrective action on any unhandled or improperly handled request.

Complaints may be initiated by:

1. A letter from a client
2. A discussion with or phone call from a client
3. A verbal or written communication from a person acting on behalf of a client
4. A verbal or written communication from a regulatory body
5. E-mail is considered written correspondence

1. Record of Complaints

Regulatory body rules require that the firm and each office maintain a separate customer complaint file, which shall include information on the final disposition of the complaint. This pertains to all complaints concerning Investment Adviser Representatives (IARs) assigned to the home-office or any of the firm's branches or their personnel, regardless of where or who handles them.

In addition, a copy of the complete file, including any supporting documentation, of all but minor operational complaints, must be submitted to the Compliance Department.

2. Procedures for Handling Complaints

- When an IAR receives a complaint, the OSJ Manager and the home office Compliance Department should be notified immediately.
- If the complaint is of a nature that it can be handled at the branch office, the OSJ Manager should investigate the complaint immediately and respond to the customer in writing with a copy to the home office. If delay is anticipated, the OSJ Manager should acknowledge the complaint immediately, advising that the complaint has been referred to the Home Office Compliance Department. The IAR and any other branch personnel with pertinent knowledge of the complaint should submit written statements along with copies of all pertinent documentation to the Compliance Department without delay.

3. Reports of Major Complaints to the FINRA

FINRA by-laws, Schedule C, Section III, requires a member firm to inform FINRA promptly whenever an employee becomes subject to certain proceedings, including major complaints. For purposes of these rules, a major complaint is one that involves:

- A suit (including arbitration and reparation cases) which results in a judgment, aware of settlement in the amount of $2,500.00 or more.
- Any claim for damages, whether written or oral, that is settled for $2,500.00 or more: or
- A claim of theft or misappropriation of funds or securities or forgery of documents, regardless of the amount of the claim or how untrue it may be.

LMK mandates that all of its IARs maintain Errors and Omissions Insurance with the company. The firm does its best in providing the best coverage for its RRs and the firm. It is the IAR's responsibility to pay for his/her own E&O coverage, in advance. Without prompt remittance of payment, when billed, termination of a IAR's registration may result.

Background

Based on an adviser's fiduciary duty to its clients and as a good business practice of maintaining strong and long term client relationships, any advisory client complaints of whatever nature and size should be handled in a prompt, thorough and professional manner. Regulatory agencies may also require or request information about the receipt, review and disposition of any written client complaints.

Responsibility

Mike Bell, Carl R. Hollister, and Robert Chess have primary responsibility for the implementation and monitoring of the firm's complaint policy, practices and recordkeeping for the firm.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated as appropriate, which include the following:

- L.M. Kohn & Company maintains a Complaint File for any written complaints received from any advisory clients;
- any person receiving any written client complaint is to forward the client complaint to L.M. Kohn & Company's designated officer;
- if appropriate, the designated officer will promptly send the client a letter acknowledging receipt of the client's complaint letter indicating the matter is under review and a response will be provided promptly;
- the designated officer will forward the client complaint letter to the appropriate person or department, depending on the nature of the complaint, for research, review and information to respond to the client complaint;

- the designated officer will then either review and approve or draft a letter to the client responding to the client's complaint and providing background information and a resolution of the client's complaint. Any appropriate supervisory review or approval will be done and noted; and
- the designated officer will maintain records and supporting information for each written client complaint in the firm's complaint file.

Continuing Education

Policy

L.M. Kohn & Company recognizes the importance of continuing education, particularly as it relates to investment adviser representatives' knowledge of investment products, strategies, and standards, compliance practices, and ethical obligations. L.M. Kohn & Company requires that its investment adviser representatives complete and report continuing education in accordance with the applicable state and federal rules, regulations, and statutes.

Background

On November 24, 2020, NASAA adopted Model Rule 2002-411(h) or 1956-204(b)(6)-CE, which requires every investment adviser representative registered under section 404 of the 2002 Act or section 201 of the 1956 Act to complete continuing education requirements.

Jurisdictions

The following states currently have adopted an IAR continuing education requirement: Arkansas, Kentucky, Maryland, Michigan, Mississippi, Oklahoma, Oregon, South Carolina, Vermont, Washington, D.C., and Wisconsin.

Colorado, Florida, Nevada, North Dakota, and Tennessee informed NASAA that they plan to adopt an IAR continuing education requirement in 2023. In those states, implementation will occur on January 1, 2024.

As various states may not have adopted (or may have adopted modified versions of) NASAA's model continuing education and training rule, states' continuing education and training rules may differ significantly. Therefore, registered advisers are urged to determine the particular requirements or status of continuing education and training rules in states in which the representatives are registered.

Model Rule Requirements

Continuing Education. NASAA Model Rule on Investment Adviser Representative Continuing Education requires every investment adviser representative registered under section 404 of the 2002 Act or 201 of the 1956 Act to complete the following continuing education requirements each reporting period:

1. **IAR Ethics and Professional Responsibility.** Each investment adviser representative to whom this model rule applies must complete six credits of IAR Regulatory and Ethics content from an authorized provider. At least three hours must cover the topic of ethics.
2. **IAR Products and Practice.** Each investment adviser representative to whom this model rule applies must complete six credits of IAR Products and Practice content from an authorized provider.

Reporting Period. Each "reporting period" is defined as a twelve-month period determined by NASAA. An investment adviser representative's initial reporting period with a state begins on the first day of the first full reporting period after the individual either registered or is required to be registered with the state.

Agent of FINRA-Registered Broker-Dealer Compliance. Any investment adviser representative who is also a registered agent of a FINRA member broker-dealer and who complies with FINRA's continuing education requirements complies with the IAR Products and Practice requirement for a reporting period if the FINRA continuing education content, at minimum, meets all the following criteria:

- The continuing education content focuses on compliance, regulatory, ethical, and sales practices standards.
- The continuing education content is based on state and federal investment advisory statutes, rules, and regulations, securities industry rules and regulations, and accepted standards and practices in the financial services industry.
- The continuing education content requires that its participants demonstrate proficiency in the education materials' subject matter.

IAR Continuing Education Reporting. Each investment adviser representative must ensure that the authorized provider reports the completion of the applicable IAR continuing education requirements.

No Carry-Forward Permitted. An investment adviser representative who earns credit hours in excess of a reporting period's required credit hours cannot apply those excess credit hours to the next year's continuing education requirement.

Failure to Complete or Report Continuing Education. If an investment adviser representative fails to fulfill his continuing education obligation by the end of a reporting period, he must renew in the state as "CE Inactive" at the end of the calendar year. An investment adviser is not eligible for investment adviser representative registration or registration renewal if he is "CE Inactive" at the close of the next calendar year. An investment adviser representative who completes and reports all IAR continuing education credits for all incomplete reporting periods will no longer be considered "CE Inactive".

Unregistered Periods. When an investment adviser representative previously registered under the Act becomes unregistered, he must complete IAR continuing education for all reporting periods that occurred between the time he became unregistered and when he became registered again under the Act. However, the unregistered individual is exempt from this requirement when he takes and passes the examination or receives an examination waiver as required by Rule USA 2002 412(e)-1 in connection with his subsequent registration application.

Home State. An investment adviser representative registered in the state or who must register in the state who is also registered as an investment adviser representative in his Home State complies with this rule when:

- The investment adviser representative's home state has continuing education requirements that are at least as stringent as the NASAA Model Rule on Investment Adviser Representative Education; and
- The investment adviser representative complies with the Home State's investment adviser representative continuing education requirements.

Procedures and Documentation

At least annually, our CCO shall determine whether states in which we have registered investment adviser representatives have adopted an IAR continuing education requirement and develop and maintain appropriate policies and procedures based upon those continuing education requirements.

Our CCO ensures that we have an appropriate, written continuing education plan that is communicated to all registered investment adviser representatives and to their immediate supervisors that includes:

- the investment adviser representatives' continuing education obligation;
- the procedures for complying with the continuing education requirement;
- the repercussions for failing to comply with continuing education obligations, which may include termination

When an individual has registered—or needs to register— as "CE Inactive", he or she will be suspended from all activities pending completion of the required training and, in some instances, may be terminated.

Corporate Records

Policy

As a registered investment adviser and legal entity, L.M. Kohn & Company has a duty to maintain accurate and current "Organization Documents." As a matter of policy, L.M. Kohn & Company maintains all Organization Documents, and related records at its principal office. All Organization Documents are maintained in a well-organized and current manner and reflect current directors, officers, members or partners, as appropriate. Our Organization Documents will be maintained for the life of the firm in a secure manner and location and for an additional three years after the termination of the firm.

As a corporation, appropriate organization documents are maintained at the firm's principal office, 10151 Carver Road, Suite 100, Cincinnati, OH, and are kept current and accurate to reflect any and all changes in the corporation, and the firm's regulatory filings are promptly amended, as necessary in electronic format.

Terry Donnellon, the firm's secretary, assists in maintaining and organizing the Articles of Incorporation, Corporate Resolution, Corporate Minutes and any changes thereto.

Background

Organization Documents, depending on the legal form of an adviser, may include the following, among others:

- Articles of Incorporation, By-laws, etc. (for corporations)
- Agreements and/or Articles of Organization (for limited liability companies)
- Partnership Agreements and/or Articles (for partnerships and limited liability partnerships)
- Charters
- Minute Books
- Stock certificate books/ledgers
- Organization resolutions
- Any changes or amendments of the Organization Documents

Responsibility

Larry M. Kohn has the responsibility for the implementation and monitoring of our Organization Documents policy, practices, and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company's designated officer will maintain the Organization Documents in L.M. Kohn & Company's principal office in a secure location; and

- Organization Documents will be maintained on a current and accurate basis and reviewed annually and updated by the designated officer so as to remain current and accurate with L.M. Kohn & Company's regulatory filings and disclosures, among other things.

Custody

Policy

As a matter of policy and practice, L.M. Kohn & Company does not permit employees or the firm to accept or maintain custody of client assets. It is our policy that we will not accept, hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them and will not intentionally take custody of client cash or securities. We allow direct debiting of advisory fees with prior client approval only.

L.M. Kohn & Company does not directly or indirectly maintain custody of client funds or securities. Furthermore, all clients' checks must be payable to the investment companies (mutual funds) or RBC Correspondent Services for clients' deposits. Any check payable to L.M. Kohn & Company must be returned promptly unless it is in payment of a client fee owed. L.M. Kohn & Company will conduct direct debiting of Advisory Fees of client accounts for those accounts that the appropriate disclosures and client written authorizations are made.

It is not appropriate for any registered personnel to take personal control of any customer funds/checks/securities. Failure to adhere to the requirements concerning appropriate handling of customer funds/checks/securities may result in criminal charges as well as regulatory fines and sanctions.

Should any such items come into your possession, you must immediately and appropriately transfer these items (i.e. to your supervising principal, 'home' office, cashier, etc.).

You are also required to enter receipt and disbursement information onto all appropriate logs.

Checks must be made payable to investment companies or RBC Capital Markets Corporation. Customer checks should never be made payable to LMK or to the Investment Adviser Representative for securities transactions, however checks may be made to LMK for management fee payments ONLY. If, at any time, you accept a customer check made payable to you, it may be considered grounds for immediate dismissal.

Customer Physical Stock Certificates

It is not appropriate for any registered personnel to take personal control of any customer physical certificates.

The customer must send directly to:

RBC Service

250 Nicollet Mall, Suite 1700

Minneapolis, MN 55401-1931

Attn: Security Processing

In the envelope to RBC, it must include the following:

1. The physical stock certificate with the back signed or in lieu of that, the Irrevocable Stock or Bond Power (e-signatures are not accepted), found under RBC Forms; and
2. Security & Paperwork Transmittal Log, found under RBC Forms.

Additional note: Shipping with tracking should be utilized to help avoid the potential for lost stock certificates.

Background

In the National Exam Program Risk Alert, *Significant Deficiencies Involving Adviser Custody and Safety of Client Assets*, issued by OCIE on March 4, 2013, SEC staff grouped custody-related deficiencies into four categories: (i) failure by advisers to recognize they have custody; (ii) failure to comply with the rule's "surprise exam" requirement; (iii) failures to comply with the "qualified custodian" requirements; and (iv) failures to comply with the audit approach for pooled investment vehicles. The custody rule under the Investment Advisers Act of 1940 defines custody as "holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them." The custody definition includes three examples to clarify what constitutes custody for advisers as follows:

1. possession of client funds or securities (but not of checks drawn by clients and made payable to third parties) unless you receive them inadvertently and you return them to the sender promptly but in any case within three business days of receiving them;
2. any arrangement (including a general power of attorney) under which you are authorized or permitted to withdraw client funds or securities maintained with a custodian upon your instruction to the custodian; and
3. any capacity (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle, or a trustee of a trust) that gives you or your supervised person legal ownership of or access to client funds or securities.

   NOTE: If a related person of the adviser is appointed as trustee as a result of a family or personal relationship with the grantor or beneficiary of the trust, and not as a result of employment with the adviser, the role of the supervised person as trustee will not be imputed to the adviser; thus the adviser will not be deemed to have custody of such client's assets.

Use of Qualified Custodians. The custody rule requires advisers with custody to maintain client funds and securities with "qualified custodians," which include U.S. banks and insured savings associations; registered broker-dealers; futures commission merchants registered under the U.S. Commodity Exchange Act (but only with respect to clients' funds and security futures, or other securities incidental to futures transactions); and certain foreign custodians.

Exceptions. (1) Shares of mutual funds may be held with the fund's transfer agent in lieu of a qualified custodian.

(2) Certain privately offered securities provided such securities meet specified conditions. Privately offered securities are securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership therefore is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferrable only with the prior consent of the issuer or holders of the outstanding securities of the issuer.

Use of Affiliated Custodians. However, when the adviser or its related person serves as qualified custodian for client assets in connection with advisory services provided by the adviser ("affiliated custodian"), the adviser is required to undergo a surprise annual audit ***and*** annually obtain, or receive from the related person, an internal control report regarding the affiliated custodian's controls applicable to custody of client assets. An independent public accountant registered with and subject to regular inspection by the Public Company Accounting Oversight Board ("PCAOB") must issue the report.

Exceptions. A limited exception from the surprise examination requirement is available when the adviser is deemed to have custody as a result of a related person having custody. (1) An adviser that can evidence that it is *operationally independent* from a related person that serves as a qualified custodian for client assets would not have to obtain a surprise examination of client assets held by the related person. The rule sets forth the conditions that must be met.

A limited exception to obtaining an internal control report from a related person is available when the related person is deemed to have custody of client assets but does not act as qualified custodian to such assets. For example, an adviser to a private fund the general partner ("GP") of which is a related person of the adviser would not need to obtain an internal control report from (i) the GP if the GP is not serving as the qualified custodian and (ii) the prime broker that is serving as the qualified custodian is not a related person of the adviser.

Account Statements to Clients. Advisers must also have a reasonable belief after "due inquiry" that the qualified custodians provide at least quarterly account statements directly to the adviser's clients.

If the adviser elects also to send account statements to its advisory clients in addition to those sent by the qualified custodian(s), the adviser must include a legend in its account statements urging clients to compare the account statements they receive from the custodian with those received from the adviser.

Notice to Clients. Advisers that open an account(s) with a qualified custodian on the client's behalf, either (i) as a separate account under the client's name or (ii) in accounts under the adviser's name as agent or trustee (provided such account contains only clients' funds and securities), must promptly notify the client in writing, detailing the qualified custodian's name, address and the manner in which the client's funds or securities are maintained.

Exceptions. Investment-related limited partnerships, limited liability companies or other pooled investment vehicles (collectively 'pooled investment vehicles') that are annually audited with copies of the audited financials delivered to all investors within specified timeframes.

> ***Note:*** SEC No-Action letter *16th Amendment Advisors LLC* dated March 23, 2015 grants relief to independent verification and account statement delivery provisions of the Custody Rule with respect to the adviser's management of a private fund and its feeder fund whose only investors are the adviser's principals and their spouses and minor children, as well as vehicles established for their benefit.

Surprise Annual Audit. Advisers deemed to have custody of clients' funds or securities are required to obtain a surprise annual examination of client assets by an independent public accountant, except as provided below.

The independent accountant must file its certificate on Form ADV-E with the SEC within 120 days of the commencement of the examination. Any material discrepancies found by the accountant must be reported to the SEC within one day. Effective January 1, 2011, investment adviser firms submit Form ADV-E filings electronically via the IARD; while the reporting public accountants utilize a separate Form ADV-E Surprise Examination Filing Website.

> *Exceptions.* (1) Advisers deemed to have custody ***solely*** as a result of their ability to directly debit advisory fees from clients' accounts. (2) Investment-related limited partnerships, limited liability companies or other pooled investment vehicles (collectively 'pooled investment vehicles') that are annually audited with copies of the audited financials delivered to all investors within specified timeframes.

Form ADV Disclosures: Although advisers that deduct fees directly from client accounts are deemed to have custody and must comply with the applicable rule requirements, advisers that have custody ***solely*** because they deduct advisory fees may continue to answer "No" to the custody questions in Item 9 of Form ADV Part 1.

Form ADV Part 1. Except as provided below, advisers are required to promptly amend their responses to most subsections of Item 9 (and related Schedule D disclosures) when previously reported information becomes inaccurate. Advisers need only update their responses to the following when filing their annual updating amendment: (i) the approximate amount of funds and securities and (ii) total number of clients for which you and/or your related persons have custody; (iii) the date a surprise exam commenced; and (iv) the number of persons acting as qualified custodians for your clients.

Form ADV Part 2. Advisers must disclose whether they require or solicit prepayment of more than $1,200 in fees per client, six months or more in advance in response to Item 18.A. of Part 2A of Form ADV and if so, must include a balance sheet for its most recent fiscal year. An adviser that has not completed its first fiscal year must include a balance sheet dated not more than 90 days prior to the filing date of the Firm Brochure. The balance sheet must be prepared in accordance with GAAP, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

In addition, an adviser having discretionary authority or custody of client assets, or who solicits or requires the aforementioned prepayment of fees, is required to disclose any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients.

Exceptions. An adviser that is also (i) a qualified custodian as defined in SEC Rule 206(4)-2 or a similar state rule; or (ii) an insurance company, is not required to respond to Item 18.A.

MUTUAL FUND EXEMPTION. Advisers are exempt from all provisions of the custody rule with respect to clients that are registered investment companies. These accounts are subject to the requirements of section 17(f) of the Investment Company Act and custody rules adopted thereunder.

Responsibility

Mike Bell, Carl Hollister, and Robert Chess have the responsibility for the implementation and monitoring of our policies, practices, disclosures and recordkeeping to ensure we are not deemed a custodian.

In the event any employee of L.M. Kohn & Company receives funds, securities, or other assets from a client, such employee must immediately notify the Compliance Officer and arrange to return such funds, securities or other assets to the client within three business days of receiving them.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate which include the following:

- Securities and funds of custodial clients are maintained with a qualified custodian or, in the case of accounts holding share of open-end mutual funds, the fund's transfer agent and held in the client's name or under L.M. Kohn & Company as agent or trustee for the clients;
- L.M. Kohn & Company has a reasonable belief that the qualified custodian(s) holding client assets provides at least quarterly account statements directly to those client or an "independent representative" of their choosing that does not have a "control" relationship within the past two years with L.M. Kohn & Company;
- If L.M. Kohn & Company receives inadvertently from a client any funds or securities, these assets shall be returned to the client as soon as reasonably possible.
- No employee or supervised person of L.M. Kohn & Company shall knowingly accept actual possession of any client funds or securities. Persons receiving a request from a client to deposit assets with a qualified custodian may assist the client to complete necessary forms and/or mailings, but shall not take actual possession of the funds or securities.
- To avoid being deemed to have custody, L.M. Kohn & Company procedures prohibit the following practices:
    - Any employee, officer, and/or the firm from having signatory power over any client's checking account;
    - Any employee, officer, and/or the firm from having the power to unilaterally wire funds from a client's account;
    - Any employee, officer, and/or the firm from holding any client's securities or funds in L.M. Kohn & Company name at any financial institution;
    - Any employee, officer, and/or the firm from physically holding cash or securities of any client;

- Any employee, officer, and/or the firm from having general power of attorney over a client's account;
- Any employee, officer, and/or the firm from holding client assets through an affiliate of L.M. Kohn & Company where the firm, its employees or officers have access to advisory client assets;
- Any employee, officer, and/or the firm from receiving the proceeds from the sale of client securities or interest or dividend payments made on a client's securities or check payable to the firm except for advisory fees;
- Any employee, officer and/or the firm from acting as a trustee or executor for any advisory client trust or estate; and
- Any employee, officer and/or the firm from acting as general partner and investment adviser to any investment partnership.

Note: Typically advisers do obtain client authority to directly debit advisory fees from clients' accounts. If an adviser does directly debit fees, the adviser will be deemed to have custody even though Form ADV Part 1 Item 9 may still be checked "No." Advisers that do directly debit fees should treat the firm as having custody and tailor the firm's policy and procedures accordingly.

Cybersecurity

Policy

L.M. Kohn & Company's cybersecurity policy, in conjunction with our Firm's Identity Theft and Privacy policies as set forth in this manual, recognizes the critical importance of safeguarding clients' personal information as well as the confidential and proprietary information of the firm and its employees. Maintaining the security, integrity and accessibility of the data maintained or conveyed through the Firm's operating systems is a fundamental requisite of our business operations and an important component of our fiduciary duty to our clients. While recognizing that the very nature of cybercrime is constantly evolving, L.M. Kohn & Company conducts annual vulnerability assessments based on our firm's use of technology, third-party vendor relationships, reported changes in cybercrime methodologies, and in response to any attempted cyber incident, among other circumstances.

Protecting all the assets of our clients, and safeguarding the proprietary and confidential information of the firm and its employees is a fundamental responsibility of every L.M. Kohn & Company employee, and repeated or serious violations of these policies may result in disciplinary action, including, for example, restricted permissions or prohibitions limiting remote access; restrictions on the use of mobile devices; and/or termination.

Background

In addition to rules and regulations under the Advisers Act that an advisory firm needs to abide by to be considered compliant; there are mandates beyond the Advisers Act that place further significant regulatory obligations on advisory firms. Security laws and regulations that impose data security and privacy requirements on investment advisers include, among others: (i) Gramm-Leach-Bliley Act/Regulation S-P; (ii) Regulation S-AM (Limitation on Affiliate Marketing); (iii) FACT Act – Red Flags Rule; (iv) Regulation S-ID Identity Theft Red Flags Rules; (v) Standards for the Protection of Personal Information of Residents of the Commonwealth of Massachusetts (201 CMR 17.00); (vi) California Financial Information Privacy Act (SB1); and (vii) U.S. Data Breach Disclosure Legislation.

OCIE's Risk Alert, *2015 Cybersecurity Examination Initiative*, was published on September 15, 2015, to announce a second round of cybersecurity sweep examinations (the "2015 Initiative"). This second round of examinations was launched to (i) build upon previous guidance provided by the Commission and (ii) further assess cybersecurity preparedness in the securities industry. Noting that some public reports identified a weakness in basic controls as a factor in certain cybersecurity breaches, examiners focused on firms' cybersecurity-related controls and conducted testing of such controls to assess their effectiveness. In August 2017, OCIE announced the results of their second cybersecurity examination initiative in a "risk alert." Following an audit of 75 regulated firms, the OCIE staff summarized that RIA firms need to be aware of potential compliance issues related to (among others): policies and procedures; risk assessments; maintenance of data; testing of data integrity; mobile device usage; and termination access for former employees.

As of June 2019, according to information posted on the National Conference of State Legislatures website, all fifty states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam have adopted breach notification requirements mandating notification of security breaches involving personal information.

In March 2022, the SEC's Division of Exams released its exam priorities for the year, including a continued focus on cybersecurity. The Division will continue to review whether firms have taken appropriate measures to: (1) safeguard customer accounts and prevent account intrusions, including

verifying an investor's identity to prevent unauthorized account access; (2) oversee vendors and service providers; (3) address malicious email activities, such as phishing or account intrusions; (4) respond to incidents, including those related to ransomware attacks; (5) identify and detect red flags related to identity theft; and (6) manage operational risk as a result of a dispersed workforce in a work-from-home environment. In the context of these examinations, the Division will focus on, among other things, investment advisers' compliance with Regulations S-P and S-ID, where applicable.

In July 2023, the SEC adopted rules regarding cybersecurity disclosures, which become effective on September 5, 2023. Registrants must disclose on Form 8-K's new Item 1.05 any material cybersecurity incident and information about the incident's nature, scope, timing, and material impact on the registrant. Form 8-K must be submitted four business days after a registrant determines an incident is material, but disclosure may be delayed if the United States Attorney General provides the SEC a written determination that immediate disclosure poses a substantial risk to national security or public safety. All registrants besides smaller reporting companies must begin complying on December 18, 2023. Smaller reporting companies must begin complying on June 15, 2024. Item 106 of Regulation S-K requires that registrants annually report on Form 10-K the processes for assessing, identifying, and managing material risks due to cybersecurity threats. The material effects of previous cybersecurity incidents and reasonably likely material effects of cybersecurity threats will be disclosed as well. Firms must also disclose the board of directors' role in overseeing cybersecurity threats and management's role in assessing and managing material risks from cybersecurity threats. All registrants must provide such disclosures beginning with annual reports for fiscal years ending on or after December 15, 2023.

Responsibility

L.M. Kohn & Company's cybersecurity policies and procedures have been adopted pursuant to approval by the firm's senior management. The Compliance Department is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting overall cybersecurity goals and objectives while at a minimum ensuring compliance with applicable federal and state laws and regulations. The Compliance Department may recommend to the firm's principal(s) any disciplinary or other action as appropriate. The Compliance Department is also responsible for distributing these policies and procedures to employees and conducting appropriate employee training to ensure employee adherence to these policies and procedures.

Any questions regarding cybersecurity policies should be directed to the Compliance Department.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company has designated Timothy Schwiebert as the firm's Chief Information Security Officer (CISO) with responsibility for overseeing our firm's cybersecurity practices;
- L.M. Kohn & Company.'s cybersecurity policies and procedures have been communicated to all employees of the firm;
- L.M. Kohn & Company restricts employees' access to those networks resources necessary for their business functions;
- Timothy Schwiebert conducts annual risk assessments to identify cybersecurity threats, vulnerabilities, and potential business consequences;
- L.M. Kohn & Company provides training to employees regarding information security risks and responsibilities; such training is provided to all new employees as part of their onboarding process and is provided to all employees no less than annually; additional training and/or written guidance also may be provided to employees in response to relevant cyber-attacks;
- L.M. Kohn & Company has adopted procedures to promptly eliminate access to all firm networks, devices and resources as part of its HR procedures in the event an employee resigns or is terminated, such employee is required to immediately return all firm-related equipment and information to Carl R. Hollister;
- L.M. Kohn & Company has adopted procedures governing the use of mobile devices for firm business purposes;
- L.M. Kohn & Company prohibits employees from installing software on company owned equipment without first obtaining written approval from Timothy Schwiebert or other designated person(s);
- Timothy Schwiebert conducts periodic monitoring of the firm's networks to detect potential cybersecurity events;
- L.M. Kohn & Company oversees the selection and retention of third-party service providers, taking reasonable steps to select those capable of maintaining appropriate safeguards for the data at issue and require service providers by contract to implement and maintain appropriate safeguards;
- Timothy Schwiebert or other designated person(s) requires third-party service providers having access to the firm's networks to periodically provide logs of such activities;
- security procedures to protect nonpublic personal information that is electronically stored or transmitted include authentication protocols; secure access control measures, and encryption of all transmitted files;
- any material cybersecurity incident will be reported on Form 8-K and submitted to the SEC within four business days after determining that the incident is material;
- to best protect our clients and the firm, all suspicious activity recognized or uncovered by personnel should be promptly reported to Timothy Schwiebert and/or the compliance department;
- an employee must immediately notify his or her supervisor and/or Timothy Schwiebert to report a lost or stolen laptop, mobile device and/or flash drive; and
- L.M. Kohn & Company maintains a written cybersecurity incident response policy.

Death of a Client

Policy

A client's death does not end the firm's fiduciary obligations to the client, and registered investment advisers must continue to act in the client's best interest. If and when L.M. Kohn & Company learns that a client has passed away, it will review the investment advisory contract to determine if the contract remains in effect after the client's death. If the firm has discretionary authority and the contract does not terminate upon client death, then the adviser will continue to manage the assets in fulfilling its fiduciary obligation to the client until instructed otherwise by the executor of the client's estate.

Procedure

Once the firm has received notification of the client's death, it will:

- Notify the custodian and any other applicable third parties.
- Obtain a copy of the client's death certificate.
- Identify the executor and obtain copies of documents to evidence the executor's authority.
- Determine any other authorized representatives for communication (e.g., attorneys, CPAs, etc.).
- If instructed by the executor, re-paper and transfer accounts to the new owners.
- Document communication with the executor and any other authorized representative of the estate.

Additionally, if instructed by the executor, the firm should work with the custodian to provide any additional documentation required by the custodian to liquidate and/or transfer assets, which may include the following:

- Court Letter of Appointment, which names the executor (current in its date and with a visible or original court seal).
- A "stock power," a type of power of attorney allowing for the transfer of ownership of stock.
- State tax inheritance waiver, if applicable.
- Affidavit of domicile.
- For accounts held in trust, the trustee certification showing successor trustee.
- For joint accounts, a Letter of Authorization signed by the survivor if the assets are moving anywhere other than his or her own account. Alternatively, if there is no surviving tenant and the assets are moving anywhere other than the last decedent's estate account, the firm will require a Letter of Authorization signed by the executor.

All documents obtained to complete the liquidation and/or transfer process will be maintained as a part of the firm's books and records.

Digital Assets

Policy

L.M. Kohn & Company, as a matter of policy and practice, does not invest in digital assets on behalf of clients. L.M. Kohn & Company reviews all firm accounts on a periodic basis to ensure that there are no regulatory assets invested in digital assets.

Directed Brokerage

Policy

L.M. Kohn & Company may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. Any client instructions to L.M. Kohn & Company are to be in writing with appropriate disclosures that for any directed brokerage arrangements L.M. Kohn & Company will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, and that commission charges will vary among clients and best execution may not be obtained.

L.M. Kohn & Company does accept instructions for the direction of brokerage from clients and any such instructions must be in writing. Additionally, appropriate disclosures are provided to any client who instructs the firm to direct brokerage for the client's account to a particular broker-dealer(s) in the form of Bailey Case disclosures. Please see the Form ADV and Advisory Contract sections.

All directed transactions are requested for execution on the primary market. The time of execution must be recorded and compared to time in sales tape for verification of best execution.

Background

Clients may direct advisers to use a particular broker-dealer under various circumstances, including where a client has a pre-existing relationship with the broker or participates in a commission recapture program, among other situations. Advisers may also elect not to exercise brokerage discretion and, therefore, require clients to direct brokerage. Advisers should recommend to clients the use of broker-dealers providing reasonable, competitive and quality brokerage services and advise clients if a client's directed broker does not provide competitive and quality services.

Pursuant to the SEC's adoption of *Amendments to Form ADV* (Release No. IA-3060), advisers that routinely recommend, request or require clients to direct brokerage are required to disclose their practices in response to Item 12 of the new Form ADV Part 2. Such disclosures should include:

- a description of the firm's practices; and
- disclose that not all advisers require clients to direct brokerage.

If the adviser recommends or requires clients to direct brokerage to an affiliated broker, or to a broker with whom the adviser has another economic relationship that creates a material conflict of interest, the adviser must also:

- describe the relationship and identify the resultant conflicts of interest; and
- inform clients that by directing brokerage, the firm may be unable to achieve most favorable execution of client transactions, which may cost clients more money.

Advisers that permit clients to direct brokerage must describe the firm's practices and, if applicable, disclose that the firm may be unable to achieve most favorable execution of client transactions, which may cost clients more money. For example, clients may pay higher brokerage commissions because the

firm is unable to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Advisers selecting or recommending the use of a broker-dealer in return for client referrals from the broker or other third party must describe their practices, including:

- the resultant conflicts of interest;
- disclosure that the adviser has an incentive to select or recommend the broker based on its interest in receiving client referrals rather than on clients' interest in receiving most favorable execution; and
- an explanation of the firm's procedures during the last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Responsibility

Mike Bell, Carl Hollister, and Robert Chess have the responsibility for the implementation and monitoring of our directed brokerage policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures used to implement the firm's policy and annually conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- any client directed brokerage instructions and arrangements are to be in writing and must be reviewed by the Compliance Officer;

- L.M. Kohn & Company provides appropriate disclosures in response to Item 12 of Part 2A of Form ADV: *Firm Brochure* and the firm's advisory agreement;

- any client brokerage instructions are maintained in the client document file; and

- any relationships and conflicts of interest relating to arrangements in which brokers refer clients to the firm will be disclosed to clients.

Disaster Recovery

Policy

As part of its fiduciary duty to its clients and as a matter of best business practices, L.M. Kohn & Company, has adopted policies and procedures for disaster recovery and for continuing L.M. Kohn & Company's business in the event of an emergency or a disaster. These policies are designed to allow L.M. Kohn & Company to resume providing service to its clients in as short a period of time as possible. These policies are, to the extent practicable, designed to address those specific types of disasters that L.M. Kohn & Company might reasonably face given its business and location.

DISASTER RECOVERY PLAN

Data Back-Up and Recovery (Hard Copy and Electronic)

L.M. Kohn & Company maintains its primary hard copy books and records and its electronic records at 10151 Carver Road, Suite 100, Cincinnati, Ohio 45242. Larry M. Kohn, CEO, is responsible for the maintenance of these books and records, and he can be reached at (513) 792-0301 x204. Our firm maintains the following document types and forms that are not transmitted to our clearing firm: Customer Acknowledgement forms, sales logs, cash blotters, and copies of new accounts.

Computer System Back-up Procedures:

L.M. Kohn & Company manages one computerized operating system and is backed up daily.
This is our internal server, which is backed up by two distinct cloud based services, Amazon Web Services and Carbonite. The server is maintained internally and is backed up by the third party vendor Global Business Solutions.

The client management database, dbCAMS, is backed up daily on Microsoft OneDrive. The cloud based backup system offered through Microsoft. Persons responsible for these procedures are Tina Williams and Diane Eastman.

In the event of an internal or external SBD (Significant Business Disruption) that causes the loss of our paper records, we will physically recover them from RBC Capital Markets Corporation, contact each investment company directly, access DST Vision or Advisor Central and request the data. All data is maintained by each investment company and can be viewed via computers using any internet connection. For accounts held by RBC Capital Markets Corporation, we would rely on their BCP (Business Continuity Plan). For accounts held by investment companies we would rely on their BCP. Accounts can be viewed via DST Vision or Advisor Central as well. If our primary site is inoperable, we will continue operations from our back-up site, or an alternate location. For the loss of electronic records, we will either physically recover the storage media or electronically recover data from our back-up site, or, if our primary site is inoperable, continue operations from our back-up site or an alternative location.

Telephone System Back-up Procedures:

In the event of a disruption of our telephone systems, L.M. Kohn & Company can maintain communication lines with clients, personnel, and others in two ways:

If there is a power outage and the telephone lines are still operational, L.M. Kohn & Company maintains a bank of telephones that can be plugged directly into line outlets and will be functional.

In the case of the telephone systems not operating by using the method described above, communication can be maintained with the use of cellular telephones.

Recovery Site Location(s):

The residence of Larry M. Kohn or another designated location determined at the time of the disaster.

Critical Persons in the Event of a Disaster or Emergency:

Carl R. Hollister
6440 Hunters Green Dr., Mason, OH 45040
e-mail: carlh@lmkohn.com
fax: (513) 792-0300
cell phone: (513) 659-0985

Mike Bell
8259 Cora Ct., Mason, OH 45040
e-mail: mikeb@lmkohn.com
fax: (513) 792-0300
Cell phone: (513) 652-2249

Robert Chess
4507 Tylers Terrace, West Chester, OH 45069
e-mail: robertc@lmkohn.com
fax: (513) 792-0300
Cell phone: (513) 263-0146

Timothy Schwiebert
914 Holz Ave., Cincinnati, OH 45230
e-mail: tims@lmkohn.com
fax: (513) 792-0300
Cell phone: (513) 608-8053

Tina Williams
6577 Todd Road, Oxford, OH 45056
e-mail: tinaw@lmkohn.com
fax: (513) 792-0300
cell phone: (513) 518-3629

Background

Since the terrorist activities of 9/11/2001 and various catastrophic natural disasters, up to and including Hurricanes Katrina and Sandy, all advisory firms need to establish written disaster recovery and business continuity plans for the firm's business. This will allow advisers to meet their responsibilities to clients as a fiduciary in managing client assets, among other things. It also allows a firm to meet its regulatory requirements in the event of any kind of an emergency or disaster, such as a bombing, fire, flood, earthquake, power failure, the loss of a key principal, or any other event that may disable the firm, key personnel, or prevent access to our office(s).

In response to the substantial and wide-spread damage caused by Hurricane Sandy in October 2012, the SEC, FINRA and CFTC communicated with a number of leading market participants to ascertain the storm's impact on various aspects of their operations. Following the issuance of a joint advisory by the SEC, CFTC and FINRA on August 16, 2013, the SEC's Office of Compliance Inspections and Examinations (OCIE) issued a Risk Alert focused specifically on business continuity and disaster recovery planning by investment advisers. While both the joint advisory and the Risk Alert identify the same six key areas, the SEC's alert provides more detailed guidance including (i) general observations and notable practices, (ii) weakness noted, and (iii) possible future considerations. Advisers should consider the following areas in their review of business continuity and disaster recovery planning ("BCP") practices: (1) preparation for widespread disruption; (2) planning for alternative locations; (3) preparedness of key vendors; (4) telecommunications services and technology; (5) communications plans; (6) regulatory and compliance considerations; and (7) BCP review and testing.

Responsibility

Senior Management is responsible for maintaining and implementing L.M. Kohn & Company's Disaster Recovery and Business Continuity Plan.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm’s policy and reviews to monitor and insure the firm’s policy is observed, implemented properly and amended or updated, as appropriate, which may be summarized as follows:

- The following individuals have the primary responsibility for implementation and monitoring of our Disaster Recovery Policy:
- Tina Williams is responsible for documenting computer back-up procedures, i.e., frequency, procedure, person(s) responsible, etc.
- Tim Schwiebert is responsible for designating back-up storage locations(s) and persons responsible to maintain back-up data in separate locations.
- Carl Hollister is responsible for identifying and listing key or mission critical people in the event of an emergency or disaster, obtaining their names, addresses, e-mail, fax, cell phone and other information and distributing this information to all personnel.
- Carl Hollister is responsible for designating and arranging for “hot,” “warm,” or home site recovery location(s) for mission critical persons to meet to continue business, and for obtaining or arranging for adequate systems equipment for these locations.

- Tim Schwiebert, or designee, is responsible for establishing back-up telephone/communication system for clients, personnel and others to contact the firm and for the firm to contact clients.

- Tim Schwiebert is responsible for determining and assessing back-up systems for key vendors and mission critical service providers.

- Carl R. Hollister is responsible for conducting periodic and actual testing and training for mission critical and all personnel.

- L.M. Kohn & Company's disaster recovery systems will be tested periodically.

- L.M. Kohn & Company's Disaster Recovery Plan will be reviewed periodically, by the Disaster Recovery Team.

Disclosure Brochures

Policy

L.M. Kohn & Company, as a matter of policy, complies with relevant regulatory requirements and maintains required disclosure brochures on a current and accurate basis. Our firm's Form ADV Part 2 provides information about the firm's advisory services, business practices, professionals, policies and any actual and potential conflicts of interest, among other things.

It is the policy of L.M. Kohn & Company to monitor the financial condition and any legal or disciplinary action(s) and to promptly and accurately report and disclose any such matters concerning the firm, its management persons, its advisory representatives and any affiliated entities.

Further, it is the firm's policy that any associated or management persons are required to report any financial or disciplinary matters to the Legal/Compliance Officer.

Further, L.M. Kohn & Company does not permit any Investment Adviser Representative to have discretionary authority over clients' funds or securities.

It is the policy of L.M. Kohn & Company to periodically review the firm's businesses and services provided to clients and to fully and accurately disclose the types of services, advisory fees, etc., in the firm's Form ADV Part 1 and Part II, marketing brochures, website, and other materials, as appropriate.

Our firm's Form ADV Part 3 (Form CRS) provides information to retail investors to assist them in deciding whether to establish an investment advisory relationship, engage our firm and our financial professionals, or to terminate or switch a relationship or specific service.

All IARs must fully and accurately disclose all marketing brochures and other materials to Mike Bell, Robert Chess, or Carl Hollister prior to distribution. All materials require a signed release for use.

Background

In July 2010, the SEC unanimously approved and adopted *Amendments to Form ADV* (Release No. IA-3060, File No. S7-10-00, publicly available 07/28/2010), significantly changing the form and content of disclosures that registered investment advisers are generally required to provide to clients and prospective clients. The new Part 2 is comprised of three parts:

- Part 2A, *Firm Brochure*;
- Part 2A Appendix 1, *Wrap Fee Program Brochure* (only required to be filed by investment advisers who sponsor wrap programs; refer to the section below for more detailed information); and
- Part 2B, *Brochure Supplement*.

An adviser's Form ADV Part 2 is a narrative disclosure document, written in plain English. Investment advisers are required to respond to each of the required items in a consistent, uniform manner that will facilitate clients' and potential clients' ability to evaluate and compare firms. Each brochure must follow

the prescribed format, including a table of contents that lists the eighteen separate items for SEC-registered advisers (nineteen for state-registered advisers), using the headings provided in the current 'form'. All advisers are required to respond to each item, even if it is inapplicable to the adviser's business; however, if required disclosure is provided elsewhere in the brochure, the adviser can direct the reader to that item rather than duplicate disclosure.

On June 5, 2019, the SEC adopted new rules requiring all SEC-registered investment advisers with retail clients to create a new Form ADV Part 3, also known as a Client Relationship Summary (Form CRS), with the purpose of further explaining the nature of their services and relationship, their fees and costs, and their standard of conduct and conflicts of interest to prospective clients.

Effective June 30, 2020, investment advisers are required to prepare and deliver a Form CRS that provides, in a concise plain English format, information about their investment-related services and fees. Form CRS is intended to be a primary document that retail investors will use to decide whether an investment advisory relationship is best after considering services, fees, and other factors and after comparison shopping among advisory and brokerage firms. The requirement to prepare and file Form CRS applies to SEC-registered firms that offer services to "retail investors," which is defined as "a natural person who seeks or receives services primarily for personal, family, or household purposes."

As a registered investment adviser, L.M. Kohn & Company has a duty to comply with the disclosure brochure delivery requirements of Rule 204-3 under the Advisers Act, or similar state regulations.

Responsibility

Kristin Hobbs has the responsibility for maintaining L.M. Kohn & Company required Brochures on a current and accurate basis, making appropriate amendments and filings, ensuring initial delivery of the applicable Brochure(s) to new clients, annual delivery of the Brochures or a Summary of Material Changes, and maintaining all appropriate files.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's disclosure policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

1. Initial Delivery:

- a representative of L.M. Kohn & Company will provide a copy of the *Firm Brochure (*and/or *Wrap Fee Program Brochure,* if applicable), to each prospective client either prior to or at the time of entering into an advisory agreement with a client;
- deliver to each client or prospective client a current Brochure Supplement for a supervised person before or at the time that supervised person begins to provide advisory services to the client. (See the Regulatory Reference section for updated information regarding the SEC's extension of the compliance date for delivery of Part 2B of Form ADV, the *Firm Brochure*, to clients of SEC-registered firms.); and

- the Compliance Officer will maintain dated copies of all L.M. Kohn & Company Brochure(s) so as to be able to identify which Brochures were in use at any time.

2. Annual Delivery:

- deliver to each client, annually within 120 days of the firm's fiscal year end and without charge, if there are material changes since the firm's last Annual Updating Amendment ("AUA"), either (i) a current copy of the Firm Brochure (and/or Wrap Fee Program Brochure, if applicable), or (ii) a summary of material changes and an offer to provide clients with a copy of the firm's current Brochure(s) without charge. The summary of material changes will include, as applicable, the following contact information by which a client may request a copy of the Brochure(s):
    - the firm's website;
    - an e-mail address;
    - a phone number; and
    - the website address for the IAPD, through which the client may obtain information about the firm.

3. Review and Amendment:

- the designated officer will annually review the firm's required Brochure(s) to ensure they are maintained on a current and accurate basis, and properly reflect and are consistent with the firm's current services, business practices, fees, investment professionals, affiliations and conflicts of interest, among other things;
- when changes or updates to the Brochure(s) are necessary or appropriate, the designated officer will make any and all amendments timely and promptly, deliver either the revised Brochure(s) or a summary of material changes to clients, and maintain records of the amended filings and subsequent delivery to clients as required; and
- if the amendment adds disclosure of an event, or materially revises information already disclosed, in response to Item 9 of Part 2A or Item 3 of Part 2B (Disciplinary Information), respectively, the designated officer will promptly deliver, (i) the amended Firm Brochure and/or Brochure Supplement(s), as applicable, along with a statement describing the material facts relating to the change of disciplinary information, or (ii) a statement describing the material facts relating to the change in disciplinary information.

<u>Form ADV Part 3 (Form CRS)</u>

Initial and Interim Delivery:

- Updating the relationship summary and filing it in accordance with Form CRS instructions within 30 days whenever any information in the relationship summary becomes materially inaccurate. The filing must include an exhibit highlighting the changes;
- Creating and maintaining a list of all retail investors to whom we must deliver our Form CRS;
- If Form CRS is delivered electronically, it will be presented prominently and will be easily accessible by the recipient;

- Posting current Form CRS prominently on our public website(s), if any. Note: the mere posting of Form CRS on the website will not satisfy our delivery obligation;
- Delivering the most recent relationship summary within 30 days to a retail investor who is an existing client or customer before or at the time the registered representative (i) opens a new account that is different from the retail investor's existing account(s); (ii) recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (iii) recommends or provides a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account;
- Delivering the current Form CRS to each prospective client either prior to or at the time of entering into an advisory agreement with the client;

- Delivering the current Form CRS to each prospective client either prior to or at the time of entering into an advisory agreement with the client;

- Communicating any changes in the updated relationship summary to retail investors who are existing clients or customers within 60 days after the updates are required to be made and without charge;
- Delivering the relationship summary within 30 days upon an investor's request; and
- Conducting periodic reviews of our Form CRS to ensure the most up-to-date version is being used.

Review and Amendment:

- Periodically, the Compliance Department will review the firm's Form CRS to ensure it is maintained on a current and accurate basis, and properly reflects and is consistent with the firm's current services, business practices, fees, investment professionals, affiliations, and conflicts of interest.
- The Compliance Department will make any necessary and appropriate changes in a timely manner, deliver the revised Form CRS and maintain records of the amended filings and subsequent delivery to clients as required.

DOL Prohibited Transaction Exemption 2020-02

Responsibility

The Compliance Department is responsible for the implementation of policies and procedures, along with conducting an annual compliance review to help ensure the firm is in compliance with PTE 2020-02. This review must be designed to detect and prevent violations of PTE 2020-02.

Procedure

Advisers who are providing fiduciary investment advice to Retirement Investors under ERISA and/or the Code will need to take certain steps to receive or continue receiving otherwise prohibited compensation in accordance with PTE 2020-02, including each of the following:

- ***Complying with Impartial Conduct Standards*.** Per the impartial conduct standards LMK requires its investment advisers to (i) give advice that is in the best interest of the Plan or IRA owner; (ii) charge only reasonable fees (e.g., fees that are customary and reasonable based on what the investor is receiving) and comply with securities laws regarding best execution; and (iii) make no misleading statements about investment transactions or other relevant matters.
- ***Acknowledging Fiduciary Status*.** LMK requires its Advisers to provide a written acknowledgment of their status as fiduciaries under ERISA. The DOL has provided the following model language that can be used by Advisers to satisfy this requirement: *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.*
- ***Providing Written Disclosures About Scope of Relationship and Conflicts*.** Advisers must provide written disclosures to their clients regarding the scope of their relationship and all material

conflicts of interest arising from the services being provided or any recommended investment transaction.

- ***Providing Written Disclosures About Rollovers.*** Advisers who are providing rollover recommendations to Plans or IRA owners must document in writing the reasons why the rollover recommendation is in the retirement investor's best interest. The DOL has provided certain factors that should be considered and documented when making such decisions. When the recommendation of an Adviser is to rollover from a 401k plan to an IRA, the factors to be considered and documented include: (i) alternatives to a rollover, (ii) a comparison of fees and expenses associated with the plan and the IRA, (iii) whether the employer pays all or any part of the plan's administrative expenses, and (iv) a comparison of the levels of service and investments available for each plan. The DOL has provided similar factors to be considered and documented when the recommendation is to rollover from one IRA to another IRA, including: (i) the long-term impact of increased costs, (ii) the appropriateness of the rollover, and (iii) the impact of economically significant investment features. Documentation of why the rollover recommendation is in the retirement investor's best interest is to be included by the Adviser on LMK Retirement Plan Rollover forms which are provided to and signed off on by retirement investors.

Electronic Signatures

E-Signature Policy

The SEC adopted amendments to Rule 302(b) of Regulation S-T, which allows for the use of electronic signatures in SEC filings, and which went into effect on December 4, 2020. The rules permit a signatory to an electronic filing who follows certain procedures to sign an authentication document through an electronic signature that meets certain requirements specified in the EDGAR Filer Manual. The adoption of the Uniform Electronic Transactions Act (UETA) from the state level and the passing of Electronic Signatures in Global and National Commerce Act (ESIGN) at the federal level in 2000 solidified the legal landscape for use of electronic records and electronic signatures in commerce.

Thus, any vendor used for e-signatures must comply with the ESIGN Act or they will not be accepted. Another stipulation is that all parties involved in e-signing must agree to use e-signature as a method for completing transactions. It is recommended that Investment Adviser Representatives document any verbal agreement to use e-signatures. Some fund direct or insurance companies may not accept e-signatures or may have a different or more limited approved vendor list. L.M. Kohn & Company is not responsible for any delays in paperwork processing as a result of fund direct or insurance companies not accepting e-signatures, and Investment Adviser Representatives are encouraged to do this research independently and prior to e-signing documents and submitting them for processing.

L.M. Kohn & Company will accept electronic signatures ONLY from the following approved vendor:

- 1) DocuSign; and 2) Adobe Sign **(NOT Fill & Sign)**.

The following are NOT acceptable as it relates to e-signatures:

- Legal documents submitted such as a Power of Attorney or anything notarized, or signature guaranteed that has an e-signature on it;
- RBC checking account applications;
- Typed or cursive signatures in the signature box that was not used by an approved vendor;
- Documents submitted that were signed electronically, but filled in by hand. If you use e-sign, everything must be completed electronically. In other words, you cannot print out forms that were signed electronically and fill in blanks or checkboxes yourself; and
- Physical checks should not accompany digitally signed applications. However, you may use voided checks to establish ACH and deposit funds via ACH instead of check. It would be preferable to establish as much ACH as possible to avoid handling physical checks.

L.M. Kohn & Company requires its Investment Adviser Representatives use electronic signatures for all documents submitted, when that is the format being utilized. L.M. Kohn & Company recommends that a signature verification form be provided to the Compliance Department to help validate the customer's signature for situations where electronic signatures are not able to be used.

L.M. Kohn & Company requires an e-signature attestation form to be completed by its Investment Adviser Representatives utilizing the e-signature process, in which they list the e-signature vendor that

has been chosen and provide attestation towards understanding and agreeing to follow L.M. Kohn & Company's electronic signature policy. This is required to be done prior to utilizing the electronic signature process.

Investment Adviser Representatives must use electronic signatures for all documents submitted, when that is the format being utilized. Each document submitted with e-signatures must contain the e-signature vendor's audit trail of the document showing time stamps, IP addresses, proof of document review, etc. L.M. Kohn & Company requires the recipient identity verification option to be chosen when representatives are utilizing DocuSign or Adobe Sign for individual recipients, requiring them to provide additional information to prove their identity. Investment Adviser Representatives must select the "SMS authentication" method for DocuSign and "Phone (SMS) authentication" method for Adobe Sign which require the recipient provide a passcode received by SMS text message in order to view their documents. The specific instructions on how to do the DocuSign SMS authentication are as follows: 1) Click the "**Customize**" dropdown box in right hand corner of the Add Recipients screen; 2) Click "**Add identity verification**"; 3) Click the dropdown box under "**Identity Verification**" and then select "**SMS**". Representatives are also required to save the DocuSign paperwork as a PDF and this is done by clicking "Keep PDF form data" from the "Manage PDF form field data" popup box. For Adobe Sign, SMS authentication can be provided as follows: 1) Go to the Add Recipients screen and click on the **picture of the envelope** (to the right of the recipient box) and then click **"Phone"** and that will ensure that the customer must put in a SMS code on their phone in order to view the document(s).

Certification paperwork for both DocuSign and Adobe Sign (called a "Cover Sheet') must be provided and if it is not included or comes without verification of SMS authentication, then it will be rejected by the Home Office.

E-Mail and Other Electronic Communications

Policy

L.M. Kohn & Company's policy provides that e-mail, instant messaging, social networks and other electronic communications are treated as written communications and that such communications must always be of a professional nature. Our policy covers electronic communications for the firm, to or from our clients, any personal e-mail communications within the firm and social networking sites. Personal use of the firm's e-mail and any other electronic systems is strongly discouraged. Also, all firm and client related electronic communications must be on the firm's systems, and use of personal e-mail addresses, personal social networks and other personal electronic communications for firm or client communications is prohibited.

To the extent that an employee utilizes a social networking site for business purposes, all communications are to be fundamentally regarded as advertising (*i.e.,* testimonials are prohibited by the firm, as are any untrue statements of material fact; information provided must not be false or misleading, etc.) and specific securities recommendations are expressly prohibited. Our firm's Social Media policy and procedures are now separately set forth in this document; our firm's Code of Ethics also provides employees with a summary of L.M. Kohn & Company's Social Media practices.

L.M. Kohn & Co. considers e-mail as written communications, and as such, we are instituting the following policy.

All representatives will be required to have an email address either through L.M. Kohn & Company, or to have their website hosted through the company that hosts L.M. Kohn & Company's website, so that we may track all email correspondence on behalf of our representatives. All outgoing email must contain - Firm/Branch name and address, name of sender, phone number and email address.

For all business related e-mail communications, employees must use ONLY e-mail addresses that are approved by L.M. Kohn & Company and captured through its Global Relay e-mail review system. Using a personal e-mail address to conduct business related communications is STRICTLY PROHIBITED.

L.M. Kohn & Company does not allow representatives to utilize instant messaging.

Messaging Applications

Messaging or team collaboration applications such as Microsoft Teams, Slack, Google Keep, WhatsApp Messenger, etc. are STRICTLY PROHIBITED by the firm (for any business related communications) without receiving prior written permission from the firm's Chief Compliance Officer. If such permission is granted, then the content from the site must be captured/archived through the firm's Global Relay system and monitored by the Compliance Department.

Background

As a result of recent financial industry issues and several regulatory actions against major firms involving very significant fines, financial industry regulators, e.g., SEC and FINRA are focusing attention on advisers

and broker-dealer policies and practices on the use of e-mail, other electronic communications and retention practices.

The Books and Records rule (Rule 204-2(a)(7)) provides that specific written communications must be kept including those relating to a) investment recommendations or advice given or proposed; b) receipt or delivery of funds or securities; and c) placing and execution of orders for the purchase or sale of securities.

All electronic communications are viewed as written communications, and the SEC has publicly indicated its expectation that firms retain all electronic communications for the required record retention periods. If a method of communication lacks a retention method, then it must be prohibited from use by the firm. Therefore, we do not allow usage of instant messaging, texting, twitter/tweeting or any other electronic social network system for securities business communication or advertising. Online business networking such as Linkedin or Facebook are also prohibited as well as any securities related reference (i.e. stating occupation as Financial Advisor) in any content on any type of personal web page or personal electronic communication in any form. Further, SEC regulators also will request and expect all electronic communications of supervised persons to be monitored and maintained for the same required periods. E-mails consisting of spam or viruses are not required to be maintained.

(**NOTE:** Advisers should review and update e-mail communications policies and procedures to recognize the regulatory challenges and related issues of social networking sites used by the firm and/or employees for business and personal uses. While these sites offer advantages such as research and marketing, they also present regulatory concerns of confidentiality, security risks, surveillance and recordkeeping.)

For state registered advisers, the state's books and records requirements generally follow the SEC rule requirements, therefore, state registered advisers are well advised to follow the SEC's interpretations and guidance regarding an e-mail policy and related practices.

Responsibility

Each employee has an initial responsibility to be familiar with and follow the firm's e-mail policy with respect to their individual e-mail communications. Carl R. Hollister has the overall responsibility for making sure all employees are familiar with the firm's e-mail policy, implementing and monitoring our e-mail policy, practices and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure that the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- our firm's e-mail policy has been communicated to all persons within the firm and any changes in our policy will be promptly communicated;
- e-mails and any other electronic communications relating to the firm's advisory services and client relationships will be maintained and monitored by Carl R. Hollister on an on-going or quarterly basis through appropriate software programming or sampling of e-mail, as the firm deems most appropriate based on the size and nature of our firm and our business;

- electronic communications records will be maintained and arranged for easy access and retrieval so as to provide true and complete copies with appropriate backup and separate storage for the required periods;
- Carl R. Hollister may conduct annual Internet searches to monitor the activities of employees to determine if such persons are engaged in activities not previously disclosed to and/or approved by the firm; and
- electronic communications will be maintained in electronic media, with printed copies if appropriate, for a period of two years on-site at our offices and at an off-site location for an additional three years.

ERISA

Policy

L.M. Kohn & Company does not act as an investment manager for advisory clients which are governed by the Employment Retirement Income Security Act (ERISA). If L.M. Kohn & Company would at some point in the future act as an investment manager for ERISA accounts, our procedures would include but not be limited to the following: As an investment manager and a fiduciary with special responsibilities under ERISA, and as a matter of policy, L.M. Kohn & Company would be responsible for acting solely in the interests of the plan participants and beneficiaries. L.M. Kohn & Company's policy would include managing client assets consistent with the "prudent man rule," exercising proxy voting authority if not retained by a plan fiduciary, maintaining any ERISA bonding that may be required, and obtaining written investment guidelines/policy statements, as appropriate.

If at some point in time, L.M. Kohn & Company would act as an investment manager for advisory clients which are governed by ERISA, our policy would be as a fiduciary with special responsibilities under ERISA, to closely monitor its duties to its ERISA clients and consult with ERISA counsel as may be appropriate. Specifically, the firm's policy regarding each of the following ERISA requirements would be:

l) Prudent Investments: A written statement of objectives must be obtained and investments adhere to those objectives. Periodic review must be made.

2) ERISA Bonding: If Erisa accounts are being managed, bonding is required.

3) Proxy voting: Because the company maintains only non-discretionary accounts, voting would be done by the plan trustees or sponsor selected.

4) Investment Guidelines: Must be maintained in writing and updated regularly.

5) State Registrations: Investment Adviser must be properly licensed in any state prior to accepting an advisory client in that state.

6) Soft Dollars: Trading soft dollars would be permitted if fully disclosed and approved by plan trustees.

ERISA defines fiduciary as:

1. Anyone who exercises any discretionary authority or discretionary control in managing a plan or exercises any authority or control over management or disposition of its assets,

2. Anyone who renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or has any authority or responsibility to do so, or

3. Anyone who has discretionary authority or discretionary responsibility in the administration of such plan.

An ERISA fiduciary is determined by applying a five-part test:

- Render advice as to the value of securities or other property, or make recommendations as to the advisability of investing in, purchasing, or selling securities or other property;
- On a regular basis;
- Pursuant to a mutual agreement, arrangement, or understanding;
- That the advice will serve as a primary basis for investment decisions; and
- The advice is individualized to the needs of the plan (or retirement investor).

PTE 2020-02 requires that the investment professional and its supervisory financial institution provide a written acknowledgment that they are fiduciaries under ERISA and the Code, as applicable, with respect to fiduciary investment advice provided to the retirement investor. The written acknowledgement must be unambiguous.

The DOL has provided model language, which would have a fiduciary state:

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.

3(21) Fiduciary

A 3(21) investment fiduciary provides investment recommendations to the plan sponsor/trustee, but does not have the discretion to act unilaterally. The plan sponsor/trustee retains ultimate decision-making authority for the investments and decides whether or not to take and implement the advice recommendations. Both parties share the fiduciary responsibility.

As a 3(21) fiduciary, the Department of Labor's (DOL) Prohibited Transactions Exemptions (PTE) apply.

L.M. Kohn & Company may act as a 3(21) fiduciary for advisory clients which are governed by the Employment Retirement Income Security Act (ERISA).

As a fiduciary with special responsibilities under ERISA, and as a matter of policy, L.M. Kohn & Company is responsible for acting solely in the interests of the plan participants and beneficiaries. L.M. Kohn & Company's policy includes managing client assets consistent with the "prudent man rule," exercising proxy voting authority if not retained by a plan fiduciary, maintaining any ERISA bonding that may be required, and obtaining written investment guidelines/policy statements, as appropriate.

Background

ERISA imposes duties on investment advisers that may exceed the scope of an adviser's duties to its other clients. For example, ERISA specifically prohibits certain types of transactions with ERISA plan clients that are permissible (with appropriate disclosure) for other types of clients. Under Department of Labor (DOL) guidelines, when the authority to manage plan assets has been delegated to an investment manager, the manager has the authority and responsibility to vote proxies, unless a named fiduciary has retained or designated another fiduciary with authority to vote proxies. In instances where an

investment manager's client agreement is silent on proxy voting authority, the investment manager would still have proxy voting authority. (Plan document provisions supersede any contractual attempt to disclaim proxy authority.) In the event plan documents are silent and an adviser's agreement disclaims proxy voting, the responsibility for proxy voting rests with the plan fiduciary(s). In certain instances, the Internal Revenue Code may impose requirements on non-ERISA retirement accounts that may mirror ERISA requirements.

In March 2006, the DOL issued guidance for employers, including advisers, to file annual reports (LM-10) to disclose financial dealings, including gifts and entertainment, with representatives of a union subject to a $250 *de minimis*.

Union officers and employees have a comparable reporting obligation (Form LM-30) to report any financial dealings with employers, including the receipt of any gifts or entertainment above the *de minimis* amount.

QPAM Exemption

The DOL adopted an amendment to ERISA prohibited transaction exemption 84-14 (the "QPAM Exemption"), expanding the coverage of the exemption to include in-house pension and other employee benefit plans maintained by investment advisers for their own employees. Under the amended exemption, a QPAM may manage an investment fund containing assets of an employee benefit plan sponsored by the QPAM and rely on the QPAM Exemption to avoid prohibited transactions that might occur in the management of such assets if: (i) the QPAM adopts written policies and procedures that are designed to assure compliance with the conditions of the amended exemption; (ii) the QPAM engages an independent auditor to conduct an annual exemption audit; and (iii) any other applicable requirements already provided in the QPAM Exemption are satisfied.

QDIA Regulation

The DOL adopted the QDIA Regulation (ERISA Section 404(c)(5)) to provide relief to a plan sponsor from certain fiduciary responsibilities for investments made on behalf of participants or beneficiaries who fail to direct the investment of assets in their individual accounts.

For the plan sponsor to obtain safe harbor relief from fiduciary liability for investment outcomes the assets must be invested in a "qualified default investment alternative" (QDIA) as defined in the regulation. While investment products are not specifically identified, the regulation provides for four types of QDIAs:

1. a product with a mix of investments that take into consideration the individual's age or retirement date (*e.g.*, a life-cycle or target date fund);
2. an investment services that allocated contributions among existing plan options to provide an asset mix that takes into consideration the individual's age or retirement date (*i.e.*, a professionally-managed account);
3. a product with a mix of investments that takes into account the characteristics of the group of employees as a whole rather than each individual (a balanced fund, for example); and
4. a capital preservation product for only the first 120 days of participation (an option for plan sponsors wishing to simplify administration if employees opt-out of participation before incurring an additional tax).

A QDIA must either be managed by (i) an investment manager, (ii) plan trustee, (iii) plan sponsor, or (iv) a committee primarily comprised of employees of the plan sponsor that is a named fiduciary, or be an investment company registered under the Investment Company Act of 1940.

ERISA Disclosures - Final Regulation 408(b)(2)

Revising its previously issued final regulation, on January 25, 2012 the DOL issued its final rule under ERISA section 408(b)(2) which requires investment advisers and other covered service providers to provide to the responsible plan fiduciary of certain of their ERISA plan clients with advance disclosures concerning their services and compensation. This regulation amends a prohibited transaction rule under ERISA and the Internal Revenue Code. That rule stated that it is a prohibited transaction for a *'covered plan'* to enter into an arrangement with a covered service provider unless the arrangement is reasonable and the compensation being received by the service provider is reasonable. The final regulation imposes specific disclosure requirements intended to enable the plan's responsible plan fiduciary to determine whether a service provider arrangement is reasonable and identifies potential conflicts of interest.

This final rule also revised the compliance date to July 1, 2012 (an extension of 90 days from the previous compliance date of April 1, 2012). This revised compliance date further resulted in a 90-day extension of the compliance deadline for certain ERISA 'participant-directed plans' subject to DOL Rule 404a-5 (Fiduciary requirements for disclosure in participant-directed individual account plans).

Investment Advice – Participants and Beneficiaries

On October 25, 2011, the DOL once more issued a final regulation (the 'replacement final regulation' (the "Final Rule")) implementing the statutory exemption from the prohibited transaction provisions of ERISA for investment advice rendered to plan participants. The Final Rule is effective December 27, 2011, and applies to transactions occurring on or after that date.

Under the Final Rule, a fiduciary adviser is permitted to render investment advice to participants – and receive compensation for such advice – pursuant to an "eligible investment advice arrangement." Such arrangement must provide for either:

- **level compensation**, meaning that any direct or indirect compensation received by the fiduciary adviser may not vary depending on the participant's selection of a particular investment option, or
- **a computer model**, which an independent expert must certify as being unbiased.

Prohibited Transaction Exemption 2020-02

Prohibited Transaction Exemption (PTE) 2020-02, which governs conduct by ERISA fiduciaries, took effect on February 16, 2021.

The PTE allows investment advice fiduciaries to receive compensation by providing fiduciary investment advice, including advice to roll over a participant’s account from an employee benefit plan to an IRA or from one IRA to another.

The PTE would also allow financial institutions to enter into certain principal transactions with retirement investors where the institution purchases or sells certain investments from its own account. The exemption would extend to both riskless principal transactions and Covered Principal Transactions, as defined in the PTE. Principal transactions that do not fall into one of these categories are not covered:

- Riskless principal transactions, which include transactions where a financial institution, after having received an order from a retirement investor to buy or sell an investment product, purchases or sells the same product for the financial institution's own account to offset the contemporaneous transaction with the retirement investor.
- Covered principal transactions, which are defined in the Exemption as principal transactions involving certain types of investment:

    - For purchases by the financial institution from a retirement plan or IRA, the term is broadly defined to include any securities or other investment property.

    - For sales from the financial institution to a retirement plan or IRA, the PTE would provide more limited relief and would only apply to transactions involving:

        - corporate debt securities offered pursuant to a registration statement under the Securities Act of 1933,
        - U.S. Treasury securities,
        - debt securities issued or guaranteed by a U.S. federal government agency other than the Department of Treasury,
        - debt securities issued or guaranteed by a government-sponsored enterprise
        - municipal bonds,
        - certificates of deposit, and
        - interests in Unit Investment Trusts.

Responsibility

The Compliance Department has the responsibility for the implementation and monitoring of our ERISA policy, practices, disclosures, and recordkeeping. The advisors have responsibility for ensuring that all suitability requirements are met when recommending rollovers of investment plan assets. Each rollover request must be accompanied by the ERISA Retirement Plan Rollover Form or the IRA Rollover Form.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- On-going awareness and periodic reviews of a client's investments and portfolio for consistency with the "prudent man rule."
- A designated person or proxy committee for overseeing that any proxy voting functions are properly met and that ERISA plan client proxies are voted in the best interests of the plan participants.

- On-going awareness and periodic review of any client's written investment policy statement/guidelines so as to be current and reflect a client's objectives and guidelines.
- Maintain and renew on a periodic basis any ERISA bonding that may be required.
- Monitor for and make any annual DOL filings (from LM-10) for reporting financial dealings with union representatives.
- If at some point in time, L.M. Kohn & Company acts as investment manager, general partner or managing member of any private or hedge funds or pooled investment vehicle, the firm will periodically monitor the percentage of ERISA plan and IRA assets in each fund for ERISA 25% Plan Asset Rule purposes.

* Identify and monitor any party in interest affiliations or relationships as between the firm and any client ERISA plans to avoid any prohibited transactions.

With regard to the Prohibited Transactions Exemption 2020-02, the following must be done:

- Apply the DOL's Impartial Conduct Standards;

  Recommendations must:

  - be subject to ERISA's prudence standard; and
  - not place the financial or other interests of the firm, its advisor, or any affiliate or other party ahead of the interests of the retirement investor, or subordinate the retirement investor's interests to their own.

  In addition, the firm must:

  - charge reasonable compensation;
  - obtain (or provide) best execution (if applicable); and
  - not make materially misleading statements.
- Ensure our incentive practices are prudently designed to avoid misalignment of the interests of L.M. Kohn & Company and our investment professionals with the interests of the retirement investors in connection with covered fiduciary advice and transactions;
- For rollover transactions, document the specific reasons why a recommendation to roll over assets from a retirement plan to another plan or IRA, from an IRA to a plan, from an IRA to another IRA, or from one type of account to another would be in the best interest of the retirement investor;
- Disclose reasons for rollover advice to clients;

  From plan to IRA or IRA to plan:

  - Alternatives to a rollover;
  - Fees and expenses associated with plan and IRA;
  - If employer pays for some or all administrative expenses; and
  - Different levels of service available through plan and IRA.

  From IRA to IRA or one type of account to another:

        - Describe services to be provided under a new arrangement.

- Maintain, for a period of six years, records demonstrating compliance with the Proposed Exemption and make such records available, to:

    - any authorized DOL employee;

    - any fiduciary of a retirement plan that engaged in an investment transaction pursuant to the Proposed Exemption;

    - any contributing employer and any employee organization whose members are covered by a retirement plan that engaged in an investment transaction pursuant to the Proposed Exemption; or

    - any participant or beneficiary of a retirement plan, or IRA owner that engaged in an investment transaction pursuant to the Proposed Exemption;

- Make disclosures to the retirement investor prior to engaging in a transaction in reliance on the PTE, including:

    - a written acknowledgment that L.M. Kohn & Company and our investment professionals are fiduciaries under ERISA and the Code, as applicable, with respect to any fiduciary investment advice provided to the retirement investor; and

    - a written description of the services to be provided and L.M. Kohn & Company and our investment professional's material conflicts of interest that is in all material respects accurate and not misleading.

- Conduct and record keep a retrospective review, at least annually, that is reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, the impartial conduct standards and the policies and procedures governing compliance with the PTE.

Additional Important PTE 2020-02 Financial Professional Procedures:

As a financial professional, you are required to do a comparison of the fees and expenses related to the rollover transaction. This is to be done by having the customer obtain the Participant Fee Disclosure Form - 404(a)(5) (sometimes also called the Investment Returns & Fee Comparison Notice) from their plan website. The customer must provide that document, along with a copy of their most recent retirement plan/IRA statement to their financial professional. This information will be utilized to run a comparison expense/fee report through Zacks Advisor Tool, Riskalyze, Morningstar, or a comparable software/tool that the financial professional prefers to use and a copy of that report will be provided to and discussed with the customer. The customer will verify the the expense/fee analysis took place by signing off on the appropriate rollover form. Included in the mandatory paperwork that must be completed for rollovers is the ERISA Retirement Plan Rollover Form or the IRA Rollover Form. These documents have the required PTE 2020-02 disclosures on them and the customer is required to sign off on the form acknowledging reading and understanding the PTE disclosures presented, as well as

affirming that their financial professional has discussed the rationale (provided in section one of the form) as to why they believe the rollover to be in the best interest of the customer.

A copy of the Zacks, Riskalyze, Morningstar, or comparable report; the Participant Fee Disclosure Form; and the retirement plan/IRA statement must then be included with the application (if applicable) and rollover paperwork and sent through the Financial Tracking system for Compliance Principal review/approval.

Form CRS

Policy

As a registered investment adviser, L.M. Kohn & Company has a duty to provide an updated version of Form CRS any time when clients: 1) open a new account different from their existing accounts; 2) receive a recommendation to roll over assets from a retirement account; or 3) receive a recommendation for a new investment advisory service that would not be held in an existing account.

Further, Form CRS is also Part 3 of Form ADV, which L.M. Kohn & Company, under Rule 204-5, must deliver alongside the Part 2A brochure to prospective clients. As a matter of policy, L.M. Kohn & Company maintains all drafts of its Form CRS at its principal office in a secure manner and location and for five years.

Background

On June 5, 2019, the SEC adopted new rules requiring all SEC-registered investment advisers with retail clients to create a new Form ADV Part 3, also known as a Client Relationship Summary (Form CRS), with the purpose of further explaining the nature of their services and relationship, their fees and costs, and their standard of conduct and conflicts of interest to prospective clients.

The Form CRS rules took effect on June 30, 2020, and the initial Form CRS was delivered to each of the investment adviser's existing clients and customers who are retail clients within 30 days of that date.

Fiduciary Obligations

As a part of its Regulation Best Interest and Form CRS rulemaking, the SEC also issued updated interpretations of an investment adviser's fiduciary obligations and the requirement to avoid or at least disclose any conflicts of interest.

The SEC noted that simply saying the adviser "may" have a conflict of interest is not sufficient--the adviser must disclose the specific conflict to ensure that clients can give informed consent--and investment advisers trading for multiple clients at once must have clear policies and procedures to either mitigate or at least disclose whether/how their allocation policies may impact clients.

The updated interpretations were effective on September 10, 2019.

Responsibility

The Compliance Department has the responsibility for the implementation and monitoring of our policies, practices, disclosures, and recordkeeping and to ensure our Form CRS is updated and delivered on a timely basis.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly, and amended or updated, as appropriate, which include the following:

- Updating the relationship summary and filing it in accordance with Form CRS instructions within 30 days whenever any information in the relationship summary becomes materially inaccurate;
- Delivering the current Form CRS to each prospective client either prior to or at the time of entering into an advisory agreement with the client;
- Communicating any changes in the updated relationship summary to retail investors who are existing clients or customers within 60 days after the updates are required to be made and without charge;
- Disclosing specific conflicts of interest to ensure that clients give informed consent;
- *[if firm trades for multiple clients at once]* Mitigating or at the very least disclosing whether and/or how our allocation policies may impact our clients;
- Delivering the amended relationship summaries highlighting the most recent changes or providing an additional disclosure showing revised text or summarizing the material changes as an exhibit to the unmarked amended relationship summary;
- Delivering the most recent relationship summary to a retail investor who is an existing client or customer before or at the time L.M. Kohn & Company: (i) opens a new account that is different from the retail investor's existing account(s); (ii) recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (iii) recommends or provides a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account;
- Delivering the relationship summary within 30 days upon an investor's request; and
- Conducting periodic reviews of our Form CRS records to ensure:
    - the most up-to-date version is being used and has also been updated/is in the process of being updated in the Form ADV;
    - evidence of the delivery of both initial and amended summaries to clients; and
    - any changes in the amended summaries are properly disclosed.

Gifts and Gratuities

Policy

Employees may not give any gift(s) with an aggregate value in excess of $250 per year to any person associated with a securities or financial organization, including brokerage firms or other investment management firms, to members of the news media, or to Clients or prospective Clients of the Firm. Employees may provide reasonable entertainment to such persons provided that both the Employee and the recipient are present and there is a business purpose for the entertainment. It is anticipated that Employees will not entertain the same person more than four times per year or spend more than $250 per person on business meals on such occasions. Employees may not provide entertainment having a reasonable value in excess of $250 to such persons unless (i) there is a specific business purpose for such event; (ii) both the Employee and the recipient are present; and (iii) the provision of such entertainment has been approved in advance by the Chief Compliance Officer and the Employee's supervisor.

Business Entertainment

Entertainment of or by clients for a reasonable cost is not prohibited. Both the host and guest must attend the entertainment together and the entertainment costs must be considered reasonable (i.e., a football game). Reasonable greens fees or admission to a baseball game are examples of reasonable entertainment. Tickets to the Super Bowl, Masters, NBA Finals, World Series, Pebble Beach greens fees, etc. would not be considered reasonable and are therefore prohibited by the firm.

Procedures and Documentation

Compliance must ensure that all employees are aware of the restrictions on giving/receiving of gifts and/or compensation of any nature.

Employees should submit a request to Compliance through the firm's Complysci (Financial Tracking) system when giving or receiving any business-related gifts/gratuities to/from a client/prospective client or an individual employed by any other entity with which we have a business relationship. This should be done by completing and then uploading the firm's Gift Report Log excel spreadsheet which collects the necessary gift related information for Compliance to review.

All such requests will be reviewed by a Compliance Principal and then placed (and tracked) on the firm's gift and gratuity log. Compliance will maintain the gifts and gratuities log and review it looking for any patterns that may raise concern.

Identity Theft

Policy

As a matter of policy, L.M. Kohn & Company seeks to prevent the theft or misappropriation and misuse of the identities and identifying information of its clients. In order to prepare this program, the firm has evaluated the risks of identity theft in connection with its investment advisory practice including the firm's:

- methods of opening client accounts;
- methods for accessing client accounts; and
- previous experience with identity theft.

Background

The Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC") jointly issued Regulation S-ID (the "Identity Theft Red Flags Rules") which became effective on May 20, 2013. The final rules require each SEC and/or CFTC-regulated entity that meets the definition of a "financial institution" or a "creditor" that offers a "covered account" (as those terms are defined under the Fair Credit Reporting Act) to develop and implement by November 20, 2013, a written identity theft prevention program designed to detect, prevent and mitigate identity theft in connection with certain existing accounts and the opening of new accounts. The firm must also periodically update its identity theft prevention program and provide staff training in accordance with the Commissions' identity theft rules.

A firm is a "*financial institution*" if it (i) holds a "*transaction account*" (ii) for a "*consumer*."

> What is a "*transaction account*"? Under the Red Flag Rules, a "transaction account" is an account on which the "…account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar items for the purpose of making payments or transfers to third parties or others."
>
> Who is a "*consumer*"? An individual. Institutions are excluded from the definition of "consumer." Individuals who invest in a private fund may be considered "consumers" in this context.

For investment advisers, this typically includes advisers that have custody of client accounts or that assist clients in sending funds to third parties (through standing letters of authorization, etc.). This will also include advisers to private funds if the adviser has the ability to direct redemptions, distributions, etc., to third parties. This does not include advisers whose ability to direct funds is limited to directly debiting advisory fees from client accounts.

For purposes of the Rule, a *creditor* is defined as a person that regularly extends, renews or continues credit, or makes those arrangements, or that regularly and in the course of ordinary business, advances

funds to or on behalf of a person, based on an obligation of the person to repay the funds or repayable from specific property pledged by or on behalf of the person.

"Covered Account" Determination. Advisers that may qualify as financial institutions and that have natural persons as clients or investors in funds that they manage would have obligations under the Red Flags Rules if they maintain "covered accounts" (i.e., accounts primarily for personal, family or household purposes that permit multiple payments or transactions or accounts for which there is a reasonably foreseeable risk of identity theft).

Ascertaining whether the Identity Theft Red Flags Rules apply is a two-step process:

1. determine if the firm is a *financial institution* or *creditor*. If it is, it must then:
2. determine whether it offers or maintains one or more *covered accounts*.

If the answer to both questions is 'yes' the firm must adopt a written Identity Theft Prevention Program ("Program"). If the answer to only the first question is 'yes', the firm is not required to adopt a Program; however, it will need to periodically reassess that decision to account for changes in its business model, types of client accounts and services, or identity theft experience.

Notably, the final rules require that a firm's board of directors, an appropriate committee of the board of directors, or if the firm does not have a board, a designated senior management employee (i) provide initial approval of the Program (unless the firm already has a program in place that meets the requirements of the final rules) and (ii) maintain responsibility for the ongoing oversight, development, implementation, and administration of the Program.

Responsibility

L.M. Kohn & Company's Identity Theft Prevention Program has been adopted pursuant to approval by the firm's senior management. Carl R. Hollister has the responsibility for the implementation and administration of the Program.

Procedure

L.M. Kohn & Company provides advisory services to various types of clients including individuals, corporations and other business entities, among others. Managed account clients are provided with instructions for wiring funds into a separate custodial account set up by L.M. Kohn & Company in the client's name, or in the firm's name for the benefit of the client, or the client may provide L.M. Kohn & Company with trading authorization on an account previously established by the client himself or herself. Checks made payable to the client's custodian, which identify the client's account number and that are received by L.M. Kohn & Company are logged by the firm and forwarded to the custodian with instructions to deposit the check in the client's account. Other than for the payment of advisory fees, checks received from clients made payable to the firm or any other party other than the client's account custodian are logged by L.M. Kohn & Company and returned to the client within three business days.

As the firm has not had any past experience with identity theft, the principal risks of identity theft acknowledged by L.M. Kohn & Company lie in the methods for accessing accounts and the acceptance of instructions for transfers out of an account for the payment of third party payees or otherwise.

L.M. Kohn & Company will periodically assess whether client accounts are considered 'covered accounts' or if new types of accounts would be considered 'covered accounts' under Regulation S-ID. The firm will maintain documentation of this review.

Identification of Red Flags

From time to time, L.M. Kohn & Company or its staff may receive indications that the identities of clients or investors may have been compromised, stolen or are otherwise at risk. It is critical that these "red flags" are recognized so that the firm can take appropriate measures to safeguard clients and investors and prevent the misappropriation and misuse of client or investor identities and assets. Categories of red flags to consider include the following:

- alerts, notifications or other warnings received from consumer reporting agencies or service providers, such as fraud detection agencies;
- presentation of suspicious personal identifying information, such as suspicious address change;
- unusual use of, or other suspicious activity related to a covered account, including, but not limited to:
- unexplained or urgent requests for large transfers or payments to be made from the account to third parties;
- telephone requests for urgent transfers from the client's account on a unclear or poor connection, particularly where the client is unwilling to remain on the line or claims to be in a hurry;
- requests to transfer funds from the client's account to a new or recently opened bank account;
- notice from clients or investors regarding unusual transfers or account activity, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with covered accounts held by L.M. Kohn & Company client custodians;
- consideration of new types of accounts and how clients access those accounts; and
- any L.M. Kohn & Company personnel becoming aware of red flags, suspicious activity or unusual transfer requests must promptly notify the CCO and/or other designated person(s) before taking any further action to facilitate a transfer from the client's account (if applicable).

Detection of Red Flags

L.M. Kohn & Company and its staff should be conscious of suspicious activity or transfer requests and actively seek to detect red flags in connection with the opening and maintenance of accounts.

Opening Accounts

With respect to the opening of separately managed client accounts, L.M. Kohn & Company seeks to obtain appropriate identifying information about, and verification of the identity of, the client. For

detailed guidance regarding acceptable identification and authorizations to be obtained and reviewed when opening a new account, please refer to the firm's Anti-Money Laundering Policy and Procedures contained within the Compliance Manual and incorporated herein by way of reference.

Transfer/Payment Requests and Address Changes

L.M. Kohn & Company is also committed to monitoring transfers and transactions within client accounts and seeking to authenticate clients and client requests for transfers, whether such requests direct the transfer of funds from the client's account to third party payees or to another account in the client's name, particularly (though not exclusively) when the receiving client account was only recently opened and/or the request was received via email or other electronic communication.

Should a client request that L.M. Kohn & Company facilitate a transfer of monies from the client's account to a new or different account held in the client's name, the firm shall:

- request written instructions with the client's original signature requesting that L.M. Kohn & Company update the wire instructions on file with the firm;
- verify that written instructions submitted are from the client or other authorized signatory on the account;
- seek to ensure that the signature on the written instructions match the signature on file with the firm; and
- ensure the request is addressed to L.M. Kohn & Company.

Any request received (ostensibly) from a client to facilitate a transfer of monies from the client's account to a third party payee, must undergo the same process set forth above ***and*** L.M. Kohn & Company should seek to verify the request as set forth below. Similarly, any request for a change of address on a client's account must be verified by L.M. Kohn & Company before being processed.

Verifications are to be accomplished through direct contact with the client at the telephone number held on record with L.M. Kohn & Company. Telephone contact with the client must be documented and is required regardless of whether the request for transfer or address change was received by email or telephone as a fraudster impersonating the client could have easily contacted the firm to make the request from a different phone number. When seeking verification at the client's telephone number of record, should a client deny having requested the transfer, the L.M. Kohn & Company employee having spoken to the client must immediately notify the CCO or other designated person(s).

Responding to Red Flags

To best protect our clients and investors and ensure that the firm responds in an appropriate manner to red flags and suspicious activity, all red flags and suspicious activity recognized or uncovered by personnel should be promptly reported to the CCO and/or other designated person(s).

When determining the appropriate response to red flags, L.M. Kohn & Company will consider the degree of risk posed and aggravating factors that may heighten the risk of identity theft, such as a data security incident that results in unauthorized access to a client's or investor's account records held by the L.M.

Kohn & Company or other third party, or notice that a client has provided information to someone fraudulently claiming to represent L.M. Kohn & Company or to a fraudulent website. Appropriate responses may include the following, based on a consideration of the relevant facts and circumstances:

- monitoring a covered account for evidence of identity theft;
- contacting the client or investor;
- contacting the account custodian;
- temporarily requesting a freeze on any asset transfers from the account;
- changing any passwords, security codes, or other security devices that permit access to the account;
- reopening an account with a new account number;
- not opening a new account;
- closing an existing account;
- notifying law enforcement and regulatory authorities; or
- determining that no response is warranted under the particular circumstances.

Oversight of Third-Party Service Providers

Our firm uses various service providers, including custodians and brokers in connection with our covered accounts. We have a process to confirm that relevant service providers that perform activities in connection with our covered accounts comply with reasonable policies and procedures designed to detect, prevent and mitigate identity theft by contractually requiring them to have policies and procedures to detect Red Flags. Typically, we will request an effective identity theft prevention program implementation certification from each critical service provider (e.g., brokers, custodians, etc.) on an initial and annual basis.

Furthermore, when appropriate and to ensure that our firm's identity theft prevention program is consistently implemented, we may require certain service providers who directly or indirectly participate in the identity theft prevention effort to agree not to take, without L.M. Kohn & Company's specific approval, actions such as the following:

- not to change wire instruction;
- not to direct any redemption proceeds to an account not listed in the original subscription document;
- not to partition, retitle, or otherwise change any indicia of ownership of an investment or account (including changes purportedly for estate planning and domestic relations reasons); or
- not to consent to liens or control agreements being placed on an investment or account.

Updates and Approval

L.M. Kohn & Company's identity theft program shall be reviewed and approved in writing by senior management of the firm. Periodically, and at least annually, the CCO and/or other designated person(s) shall review the program and present senior management with a report regarding the effectiveness of the program and any suggestions for improving the program based on changing or newly perceived risks, such as:

- the experiences of L.M. Kohn & Company with identity theft;
- changes in the types of accounts that L.M. Kohn & Company offers or maintains;
- changes in methods used by fraudsters to perpetrate identity theft;
- changes in methods to detect, prevent, and mitigate identity theft; and
- changes in the business arrangements of L.M. Kohn & Company, including mergers, acquisitions, alliances, joint ventures, and service provider arrangements.

Training

It is imperative that all personnel be familiar with the firm's identity theft program and have a thorough understanding of his/her role and responsibilities in protecting our clients and investors. To this end, L.M. Kohn & Company will conduct initial and annual training regarding its identity theft program to assist personnel to recognize and appropriately respond to and report red flags and other suspicious activity. Employees are encouraged to ask the CCO or other designated person(s) for clarification or additional information regarding the program in general or any suspicious activity in particular.

Incident Response

Policy

L.M. Kohn & Company's incident response policy, in conjunction with our Cybersecurity and Identify Theft Prevention policies in the WSPs, recognizes the critical importance of safeguarding the confidential and proprietary information of the firm and its employees.

It is our policy to respond promptly and appropriately, based on the particular circumstances, should the firm suspect or detect that unauthorized individuals have gained access to nonpublic information.

When determining the appropriate response, we will consider the degree of risk posed and aggravating factors that may heighten the risk of a data security incident that results in unauthorized access to nonpublic information held by us or a third-party service provider. Primary and immediate consideration will be given to evaluating and halting any ongoing attack and to promptly securing firm systems and information.

Each incident will be reviewed to determine if changes are necessary to the existing security structure and the firm's electronic and procedural safeguards to guard against similar attacks or infiltrations in the future. It is the responsibility of our CCO to provide training on any procedural changes that may be required as a result of the investigation of an incident.

Procedures

The CCO is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting our overall incident response goals and objectives. Further, we will rely on our Cybersecurity Committee to also act as our Incident Response Team (i.e., Tim Schwiebert) to address this critical area of oversight and protection.

All suspicious activity recognized or uncovered by personnel should be promptly reported to our CCO or the Incident Response Team.

Any questions regarding L.M. Kohn & Company's incident response policies should be directed to our CCO.

In the event of a breach the firm and/or Incident Response Team should do the following (if applicable):

- Contact proper authorities in order to mitigate the situation;
- Provide notice to authorities and law enforcement such as the FBI;
- Contact our IT provider and make sure that they can correctly gain control of the data loss event;
- Notify representatives/clients that a breach occurred;
- Provide training on any procedural changes that may be required as a result of the investigation of an incident.

- Review each incident to determine if changes are necessary to the existing security structure and our electronic and procedural safeguards to guard against similar attacks or infiltrations in the future;
- Identify what has been taken, determine the damage of that leaked information, and take immediate steps to stop the exfiltration of data;
- Remove all malware, harden and patch systems, and apply any updates;
- Review the inventory list and make sure all items are accounted for;
- Evaluate system processes to ensure they have all been restored; and
- Determine how to communicate the breach to internal employees, the public, and those directly affected.

Insider Trading

Policy

L.M. Kohn & Company's policy prohibits any employee from acting upon, misusing or disclosing any material non-public information, known as inside information. Any instances or questions regarding possible inside information must be immediately brought to the attention of the designated officer, Legal /Compliance Officer or senior management, and any violations of the firm's policy will result in disciplinary action and/or termination.

L.M. Kohn & Company's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. The firm has established written policies and procedures in the Registered Representative Compliance Manual, distributed to all representatives, to detect and prevent the misuse of inside information.

Any person having access to non-public information of a material nature relative to a publicly traded security violates anti-fraud provisions of the federal securities laws by effecting securities transactions at a time when that information is still non-public.

"Insiders" subject to the disclosure requirements of Section 10(b) of the Securities Exchange Act may include employees, officers, directors, and controlling stockholders who are in possession of undisclosed material information obtained in the course of their employment. In addition, "third parties" such as attorneys, accountants and brokers who receive material, non-public, corporate information from any "insider" may also be subject to the requirements of Section 10(b).

"The obligation to disclose material information rests on the fact that the information is intended only for corporate purpose and not for personal benefit and also because of the inherent unfairness in not disclosing such information." (SEC v. Texas Gulf Sulphur, 401 F. 2d 833).

If you are the recipient of a "tip" from an "insider", think twice about trading! The SEC and exchanges now have sophisticated tracking system that can identify your trades, sometimes months after the fact. Investigators can take years of your time, a lot of money and sometimes cause serious damage to your career and registrations.

"Material Information" is defined as (a) information which in reasonable and objective contemplation might affect the value of the issuer's publicly traded securities, or (b) information which, if known, would clearly affect investment judgment, or which directly bears on the intrinsic value of the issuer's publicly traded securities. Material information need not be limited to information that is translated into earnings.

If there is any question as to whether a contemplated purchase or sale would violate the insider trading rules, the RR. must consult with L.M. Kohn & Company's Compliance Department prior to executing the transaction.

Background

Various federal and state securities laws and the Advisers Act (Section 204A) require every investment adviser to establish, maintain and enforce written policies and procedures reasonably designed, taking into consideration the nature of such adviser's business, to prevent the misuse of material, non-public information in violation of the Advisers Act or other securities laws by the investment adviser or any person associated with the investment adviser.

In August 2011, the State of Massachusetts became the first state to regulate the use of investment consultants by investment advisers when it adopted a rule requiring an adviser to first obtain a written certification that discloses all confidentiality restrictions that the consultant has that are relevant to its work for the adviser. The consultant must sign and date the attestation that acknowledged that the consultant will not provide the adviser with any material non-public information.

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of the firm's Insider Trading Policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's insider trading policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- the Insider Trading Policy is distributed to all employees, and new employees upon hire, and requires a written acknowledgement by each employee,
- access persons (supervised persons) must disclose personal securities accounts, initial/annual securities holdings and report at least quarterly any reportable transactions in their employee and employee-related personal accounts,
- employees must report to a designated person or Compliance Officer all business, financial or personal relationships that may result in access to material, non-public information,
- a designated officer or Compliance Officer reviews all reportable personal investment activity for employee and employee-related accounts,
- a designated officer or Compliance Officer provides guidance to employees on any possible insider trading situation or question,
- L.M. Kohn & Company's Insider Trading Policy is reviewed and evaluated annually and updated as may be appropriate, and
- a designated officer or Compliance Officer prepares a written report to management and/or legal counsel of any possible violation of the firm's Insider Trading Policy for implementing corrective and/or disciplinary action.

Use of Expert Networks: Although the following requirements are specifically required by investment advisers registered with the Massachusetts Securities Division, all firms that utilize outside investment consultants and expert networks should consider implementing similar procedures as a best practice:

- prior to retaining an investment consultant directly or through an expert networking firm, obtain written certification from the consultant that includes:
    - disclosure of all confidentiality restrictions that the consultant has or reasonably expects to have that are relevant to the potential consultation,
    - an affirmative statement that the consultant will not provide any confidential information to L.M. Kohn & Company,
    - a statement that the information contained in the certification is accurate as of the date of the initial, and any subsequent consultation(s), and
    - must be dated and signed by the consultant.

Note: Many SEC advisers now include the firm's Insider Trading Policy as part of the firm's Code of Ethics pursuant to Rule 204A-1 of the Advisers Act. This is an acceptable and now common practice so advisers need not have a separate Insider Trading Policy or separate procedures for prohibiting and detecting insider trading information if adequately covered in the firm's Code of Ethics.

Investment Processes

Policy

As a registered adviser, and as a fiduciary to our advisory clients, L.M. Kohn & Company is required, and as a matter of policy, obtains background information as to each client's financial circumstances, investment objectives, investment restrictions and risk tolerance, among many other things, and provides its advisory services consistent with the client's objectives, etc., based on the information provided by each client.

For Fund Direct Accounts: LMK requires receipt of a Customer Acknowledgment Form and a LMK RIA Advisory Agreement for all Advisory Clients. See the File Attachments section of this manual for the form.

For RBC Correspondent Services Accounts: LMK requires receipt of an RBC CS New Account Form and a LMK RIA Advisory Agreement.

Background

The U.S. Supreme Court has held that Section 206 (Prohibited Activities) of the Investment Advisers Act imposes a fiduciary duty on investment advisers by operation of law (SEC v. Capital Gains Research Bureau, Inc., 1963).

Also, the SEC has indicated that an adviser has a duty, among other things, to ensure that its investment advice is suitable to the client's objectives, needs and circumstances, (SEC No-Action Letter, In re *John G. Kinnard and Co.*, publicly available 11/30/1973).

Every fiduciary has the duty and a responsibility to act in the utmost good faith and in the best interests of the client and to always place the client's interests first and foremost.

As part of this duty, a fiduciary and an adviser with such duties, must eliminate conflicts of interest, whether actual or potential, or make full and fair disclosure of all material facts of any conflicts so a client, or prospective client, may make an informed decision in each particular circumstance.

Responsibility

The firm's investment professionals responsible for the particular client relationship have the primary responsibility for determining and knowing each client's circumstances and managing the client's portfolio consistent with the client's objectives. L.M. Kohn & Company's designated officer has the overall responsibility for the implementation and monitoring of our investment processes policy, practices, disclosures and recordkeeping for the firm.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company obtains substantial background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes client profile or relationship forms;
- advisory clients may also have and provide written investment policy statements or written investment guidelines that the firm reviews, approves, and monitors as part of the firm's investment services, subject to any written revisions or updates received from a client;
- L.M. Kohn & Company provides the firm's applicable Form ADV Part 2 (*i.e.*, *Firm Brochure* and/or *Wrap Fee Program Brochure*) to all prospective clients, and ADV Part 3 (Form CRS) to any retail clients,
- disclosing the firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews and investment reports provided by the firm to clients;
- L.M. Kohn & Company may provide quarterly reports to advisory clients which include important information about a client's financial situation, portfolio holdings, values and transactions, among other things. The firm may also provide performance information to advisory clients about the client's account performance, which may also include a reference to a relevant market index or benchmark;
- Our investment professionals may also schedule client meetings annually or upon client request, to review a client's portfolio, performance, market conditions, financial circumstances, and investment objectives, among other things; and to confirm the firm's investment decisions and services are consistent with the client's objectives and goals. Documentation of such reviews should be made in the client file; and
- client relationships and/or portfolios may be reviewed on a more formal basis quarterly or other periodic basis by designated supervisors or management personnel.

Market Manipulative Trading

Background

L.M. Kohn & Company is strictly prohibited from engaging in any manipulative or misleading trading practices. As a fiduciary, L.M. Kohn & Company cannot engage in "window dressing", "portfolio pumping", "marking the close", or any other market manipulative tactics, like short selling in connection with a public offering.

Window dressing occurs when an investment adviser buys and sells portfolio securities shortly before the date as of which its client holdings are publicly disclosed, to convey an impression that the investment adviser has been investing in companies that have had strong performance during the reporting period.

Portfolio pumping occurs when an investment adviser causes a client to buy shares of stock the client already owns near the end of a reporting period for the purpose of artificially inflating the client's performance results.

Marking the close is the practice of placing late-day orders to raise the reported closing price of the stock.

Rule 105 of Regulation M (as amended) generally prohibits a person from purchasing equity securities from an underwriter or broker-dealer participating in a firm commitment offering if such person sold short the security that is the subject of the offering during the "restricted period."

If any Supervised Person has any questions regarding Rule 105 or the applicability of an exemption under Rule 105, he/she must consult with the CCO prior to the execution of the related transaction.

Policy

L.M. Kohn & Company is strictly prohibited from engaging in any manipulative or misleading trading practices. Specifically, it does not engage in trading practices that:

- lack an investment purpose,
- are designed to artificially inflate a security's price,
- are designed to mislead investors or prospective investors,
- qualify as portfolio pumping, window dressing, or marking the close,
- constitute short selling in connection with a public offering, or
- otherwise constitute market manipulative tactics.

The firm and each of its Supervised Persons will comply with the provisions of Rule 105 (as amended) as it relates to the short sale made in connection with a public offering.

Engaging in any instances of market manipulative trading activities can result in disciplinary action up to and including termination.

As it relates to Rule 105, registered investment advisers may not purchase equity securities from an underwriter or broker-dealer participating in a firm commitment offering if such person sold short the security that is the subject of the offering during the "restricted period." The "restricted period is the shorter of the period: (1) beginning five business days before the pricing of the offering securities and ending with such pricing or (2) beginning with the initial filing of such registration statement or notification on Form 1-A or Form 1-E ending with the pricing.

Procedure

Supervised persons will immediately report any suspected instances of window dressing, portfolio pumping, marking the close, or any other market manipulative tactics to the CCO.

Municipal Entities - Regulatory Notice 19-28

Regulatory Notice 19-28 states that a person who "provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or undertakes a solicitation of a municipal entity or obligated person" may be considered a Municipal Advisor. Registration, therefore, may be required if the person is advising or recommending an investment strategy on how to invest proceeds from the issuance of municipal securities or the brokering of escrow investment accounts.

L.M. Kohn & Company strictly prohibits its investment adviser representatives from making any solicitations (i.e., providing advice or recommendations) on behalf of a municipal entity or obligated person in relation to the transacting of municipal securities business. Municipal entities or obligated persons, who choose to transact business with the firm, are solely responsible and required to pick and choose their own investments in accordance with their own investment strategies. Investment adviser representatives "may provide the municipal entity client with general market and financial information, information regarding currently available investments, or price quotes for investments available for purchase or sale in the market that meet criteria specified by the municipal client" as described in Regulatory Notice 19-28. Investment adviser representatives must obtain a communication: electronic, in writing or verbally memorialized that no municipal bond offerings are used as the source of funds for any investment account carried through LM Kohn & Company. This communication or attestation must be submitted to compliance@lmkohn.com no less than annually.

Any employee found to be in violation of this policy will be subject to disciplinary action up to and including termination of employment.

Mutual Fund Share Class Selection

Policy

As a matter of policy and as a fiduciary to our clients, L.M. Kohn & Company acts in the best interests of clients when recommending investments, including shares of mutual funds. Absent compelling reasons to the contrary and in keeping with each client's best interests, L.M. Kohn & Company will generally seek to recommend the lowest overall cost share class of mutual funds available to clients under the circumstances and to disclose all conflicts of interest arising in the selection of mutual fund share classes.

Background

Section 206 of the Investment Advisers Act of 1940 imposes a fiduciary duty on investment advisers to act in their clients' best interests, including an affirmative duty to disclose all conflicts of interest. A conflict of interest arises when an adviser receives compensation (either directly or indirectly through an affiliated broker-dealer) for selecting a more expensive mutual fund share class for a client when a less expensive share class for the same fund is available and appropriate. That conflict of interest must be disclosed.

The Commission has long been focused on the conflicts of interest associated with mutual fund share class selection. Differing share classes facilitate many functions and relationships. However, investment advisers must be mindful of their duties when recommending and selecting share classes for their clients and disclose their conflicts of interest related thereto.

Even absent a pecuniary conflict of interest that may incentivize advisers or representatives to recommend a higher cost share class, advisers have the duty to seek best execution of securities transactions for clients. In a mutual fund transaction, the price for open-end mutual fund shares is not set by the market, but determined by the fund at the end of each business day based on the fund's net asset value. Trades are executed by the mutual fund itself, and the transactions can be entered by a broker, an adviser, or directly through the fund. Unlike equity transactions, mutual fund trades are not subject to market fluctuations throughout the day, so brokers cannot add value by working the trade. Other typical "best execution" factors, such as the value of research provided, commission rates, and the broker's execution capability and responsiveness, are not as pertinent in an open-end mutual fund transaction. Therefore, SEC Staff generally take the position that the best interests of clients are not served when advisers cause clients to purchase a more expensive share class when a less expensive class is available.

Responsibility

The CCO has the responsibility for implementing and monitoring our policy, including employee training. The investment committee and its designees are responsible for the initial selection, periodic review and documentation of mutual fund shares selected for clients.

Procedures

L.M. Kohn & Company has implemented the following procedures for selecting and reviewing the appropriate mutual fund share classes:

- Prior to making an initial investment in a mutual fund, the firm's investment committee or selected designees will review all available share classes and related expense ratios to determine which class meets the firm's duty of best execution, taking into account cost, client's time horizons, restrictions and preferences. Documentation of selection decisions will be created for any shares chosen that do not represent the lowest cost share class;
- Any clients who were erroneously invested in higher cost share classes will be reimbursed or otherwise made whole;
- Communication and training will be provided to the firm's investment professionals and trader(s) and staff on the application of these criteria and review process;
- L.M. Kohn & Company will allocate investment opportunities fairly among client accounts and document the allocations for our records;
- On a (quarterly/annual basis), our investment committee or a designee will review invoices to ensure our clients are accurately billed. Documentation of this review will be kept in our files; and
- For conflicts that cannot be avoided, we will provide full and fair disclosure about the conflict and let the client decide whether to do business on those terms.

[Optional, for firms that receive 12b-1 fees]

- Clearly disclose to clients that recommendations to purchase mutual fund share classes with 12b-1 fees can result in the receipt of payments by our firm, our investment advisory representatives, or an affiliated broker-dealer; and
- Specifically state on our Form ADV Part 2A and ADV Part 3 that:
    - L.M. Kohn & Company [or our affiliate(s)] receives 12b-1 fees from [insert relevant source of payment]; and
    - These payments present a conflict of interest between our firm and our clients' best interests.

Our investment committee or selected designees will conduct quarterly reviews of client holdings in mutual fund investments to ensure the appropriateness of mutual fund share class selections. These reviews will take into account whether a client's situation has changed, and/or whether new share class options are available, with the goal of evaluating whether the client now qualifies for, or has access to, a lower-cost share class.

Outside Business Activities

Policy

L.M. Kohn & Company's policy allows employees to participate in outside business activities so long as the activities are consistent with L.M. Kohn & Company's fiduciary duty to its clients and regulatory requirements, and the employee provides prior written notice to L.M. Kohn & Company before engaging in such activities.

Prior to beginning such activity, each employee must identify any new outside business activities to the firm's CCO, or other designated officer.

Background

An outside business activity ("OBA") is any business activity outside the scope of a firm where an employee of the firm:

- May be compensated or have the reasonable expectation of compensation;
- Is working with or for a client, regardless of whether compensation is received; or
- Is in a position to receive material non-public information concerning a publicly-traded company.

L.M. Kohn & Company's policies and procedures covering the outside business activities of employees and others represents an internal control and supervisory review to detect unapproved outside business activities and to prevent possible conflicts of interests and regulatory violations.

Responsibility

The Compliance Department has the responsibility for the implementation and monitoring of our policy on outside business activities, disclosures, and recordkeeping.

Procedure

Investment Advisers must communicate the following:

- Upon hiring, employees must provide our CCO, or other designated officer, with a list of outside business activities in which the employee would like to continue;
- Current employees must provide written notice prior to beginning any OBA, and include the following information:
    - The activity's start and end date (if applicable);
    - The name of the entity where the activity is taking place;
    - The position title; and
    - A description of the employee's duties and an estimated hours per week that would be dedicated to the activity.
- Upon receiving a written notice, the CCO will evaluate the information and give consideration to whether:

    - The activity will interfere with or compromise the employee's responsibilities to L.M. Kohn & Company and our clients; and
    - The activity will be viewed by our clients or the public as part of L.M. Kohn & Company's business based on the nature of the activity.
- Our CCO will evaluate each activity and decide on the advisability of imposing specific conditions or limitations or completely prohibiting the activity;
- Any employees engaged in approved OBAs must inform our CCO of any changes in, or new conflicts of interest relating to the OBA once the employee becomes aware;
- Annually, our Compliance Department will obtain attestations from employees that they are not engaging in any other outside business activities beyond those that have been disclosed and approved;
- Our Compliance Department conducts email reviews specifically focused on identifying potential OBAs;
- We maintain a list of our employees' current OBAs, which is updated on a consistent basis;
- Our CCO, or other designated officer, will review all employees' reports of outside business activities for compliance with the firm's policies, regulatory requirements, and the firm's fiduciary duty to its clients, among other things; and
- L.M. Kohn & Company will retain documentation in accordance with our applicable recordkeeping requirements.

Pandemic Response

Policy

L.M. Kohn & Company's pandemic response policy, in conjunction with our Business Continuity Plan and Cybersecurity policies in the WSPs, recognizes the critical importance of safeguarding our employees and clients in the event of a national pandemic.

Designated Supervising Principal

A member of Senior Management, who is a registered principal, is responsible for approving our Pandemic Response Plan and conducting the required review.

The individual designated is:

Name: Carl H. Hollister

Title: President

Our Pandemic Response Plan addresses the key areas listed below to the extent they are applicable and necessary, as well as any other key areas to ensure our Plan is complete and thorough based on our specific business and operations:

Working from Home

- Organize and identify a central team of people or focal point to serve as a communication source so that our employees and clients can have accurate information during the crisis;
- Ensure that IT provides the correct technology and security measures for employees who are working from home;
- Set clear expectations and show examples of what L.M. Kohn & Company expects to be done task-wise, along with deadlines and calendar sharing;
- Create meetings for supervisors to discuss concerns and raise questions with compliance staff;
- Provide staff with updated contact information for their assigned points of contact in Compliance, Legal, Operations and other departments;
- Transition to virtual training to continue preparing for upcoming regulatory obligations;
- Set up work-from-home guidelines;
- Arrange for meetings or conference calls to review the latest information, develop consistent messaging, and make decisions; and
- L.M. Kohn & Company may need to request employees' personal contact information (phone numbers, e-mail addresses, or contact's information of where they may be if they are caring for family members).

Social Distancing

- Employees should avoid close contact with coworkers and clients (maintain a separation of at least 6 feet);

- Avoid shaking hands and always wash hands after contact with others;
- Encourage telephone use, videoconferencing, and the Internet to conduct business as much as possible, even when participants are in the same building;
- Minimize situations where groups of people are crowded together, such as in a meeting;
- If a face-to-face meeting is unavoidable, minimize the meeting time, choose a large meeting room, and sit at least 6 feet from one another;
- Reduce or eliminate unnecessary social interactions--reconsider all situations that permit or require employees, clients, and visitors to enter the workplace; and
- Avoid any unnecessary travel and cancel or postpone nonessential meetings, gatherings, workshops, and training sessions.

Personal Protective Equipment (PPE) and Office Cleanliness

- Stockpile items such as soap, tissue, hand sanitizer, cleaning supplies and recommended personal protective equipment. When stockpiling items, be aware of each product's shelf life and storage conditions (e.g., avoid areas that are damp or have temperature extremes) and incorporate product rotation (e.g., consume oldest supplies first) into your stockpile management program;
- Provide employees and clients in the workplace with easy access to infection control supplies, such as soap, hand sanitizers, personal protective equipment (such as gloves or surgical masks), tissues, and office cleaning supplies;
- Provide training, education, and informational material about employee health and safety, including proper hygiene practices and the use of any personal protective equipment to be used in the workplace;
- Provide clients and the public with tissues and trash receptacles, and with a place to wash or disinfect their hands;
- Regularly clean work surfaces, telephones, computer equipment, and other frequently touched surfaces and office equipment; and
- Discourage employees from using other employees' phones, desks, offices, or other work tools and equipment.

Sick Leave

- Consider flexible leave policies to allow workers to stay home to care for sick family members or for children if schools dismiss students or child care programs close;
- Encourage sick employees to stay home; and
- Offer any existing vaccine at the workplace or allow employees to take time off to get the vaccine.

Performance

Policy

L.M. Kohn & Company, as a matter of policy and practice, does not prepare and distribute various performance information relating to the investment performance of the firm and advisory clients.

L.M. Kohn & Company does not allow the use of performance data in advertising with the following exceptions:

1. Performance of a portfolio managed by a Third Party Manager and the performance data is provided by Dalbar
2. Performance of a portfolio managed by a Third Party Manager and the performance data is provided by Morningstar
3. Performance of a portfolio managed by a Third Party Manager that has been pre-approved by compliance

All disclosures must be included with the performance data.

Performance information is treated as advertising/ marketing materials and designed to obtain new advisory clients and to maintain existing client relationships. L.M. Kohn & Company's policy requires that any performance information and materials must be truthful and accurate, and prepared and presented in a manner consistent with applicable rules and regulatory guidelines and reviewed and approved by a designated officer. L.M. Kohn & Company's policy prohibits any performance information or materials that may be misleading, fraudulent, deceptive and/or manipulative.

L.M. Kohn & Company's does not use, nor allow its IARs to use, performance data in advertising.

Background

An investment adviser's performance information is included as part of a firm's advertising practices which are regulated by the SEC under Section 206 of the Advisers Act, which prohibits advisers from engaging in fraudulent, deceptive, or manipulative activities. The manner in which investment advisers portray themselves and their investment returns to existing and prospective clients is highly regulated. These standards include how performance is presented. SEC Rule 206(4)-1 proscribes various advertising practices of investment advisers as fraudulent, deceptive or manipulative and various SEC no-action letters provide guidelines for performance information.

In December 2020, the SEC announced it had finalized reforms to modernize rules that govern investment adviser advertisements and compensation to solicitors under the Investment Advisers Act of 1940. The amendments create a single rule that replaces the previous advertising and cash solicitation rules, Rule 206(4)-1 and Rule 206(4)-3, respectively, creating the new Marketing Rule. The Marketing Rule compliance date was November 4, 2022 and now includes provisions for the use of performance in marketing materials.

Responsibility

The Compliance Department has the responsibility for implementing and monitoring policy for the preparation, presentation, review and approval of any performance information to ensure any materials

are consistent with our policy and regulatory requirements. They are also responsible for maintaining, as part of the L.M. Kohn & Company's books and records, copies of all performance materials, including the supporting records to demonstrate the calculation of any performance information for the entire performance information period consistent with applicable recordkeeping requirements, as well as records of reviews and approvals.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- all performance information and materials must be reviewed and approved prior to use by a designated officer, the President or another officer of the firm (other than the individual who prepared such material), who is familiar with applicable rules and standards for performance advertising;
- any performance advertising is prohibited from including:
    - gross performance, unless the advertisement also presents net performance with at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and calculated over the same time period, and using the same type of return and methodology as, the gross performance;
    - any performance results, unless they are provided for specific time periods of 1, 5 and 10 year returns (not applicable to the performance of private funds);
    - any statement that the Commission has approved or reviewed any calculation or
    - presentation of performance results;
    - to the extent an advertisement includes the performance of portfolios other than the portfolio being advertised, performance results from fewer than all portfolios with substantially similar investment policies, objectives, and strategies as the portfolio being offered in the advertisement, with limited exceptions;
    - performance results of a subset of investments extracted from a portfolio, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio;
    - hypothetical performance, unless the performance is relevant to the likely financial situation and investment objectives of the intended audience and the adviser provides certain additional information; and
    - predecessor performance, unless the personnel primarily responsible for achieving the prior performance manage accounts at this firm and the accounts that were managed by those personnel at the predecessor adviser are sufficiently similar to the accounts that they manage at this firm. In addition, this firm must include all relevant disclosures clearly and prominently in the advertisement.
- the initialing and dating of the performance materials will document approval;
- each employee is responsible for ensuring that only approved materials are used, and that approved materials are not modified without the express written authorization of the designated officer;
- the designated officer is responsible for the retention of communications sent to or received from any person relating to the performance or rate of return of all SMAs or of any securities recommendations;

- the designated officer will conduct reviews of materials containing performance reports to ensure that only approved materials are distributed, that appropriate performance is included as required and that disclosures are included where necessary; and
- the designated officer is responsible for maintaining copies of any performance materials and supporting documentation for the calculation of performance materials.

Political Contributions

Policy

It is L.M. Kohn & Company's policy to permit the firm, and its covered associates, to make political contributions to elected officials, candidates and others, consistent with this policy and regulatory requirements.

L.M. Kohn & Company recognizes that it is never appropriate to make or solicit political contributions, or provide gifts or entertainment for the purpose of improperly influencing the actions of public officials. Accordingly, our firm's policy is to restrict certain political contributions made to government officials and candidates of state and state political subdivisions who can influence or have the authority for hiring an investment adviser.

The firm also maintains appropriate records for all political contributions made by the firm and/or its covered associates. Our firm's Code of Ethics also provides employees with a summary of L.M. Kohn & Company's 'Pay-to-Play' practices.

Background

On June 22, 2011, the SEC adopted amendments to rule 206(4)-5, adding provisions extending the scope of the rule, making it applicable to (i) exempt reporting advisers, defined as an investment adviser that is exempt from registration because it is an adviser solely to one or more venture capital funds, or because it is an adviser solely to private funds and has assets under management in the United States of less than $150 million; and foreign private advisers, as defined under rule 202(a)(30)-1.

The amendments also permit an adviser to pay a registered municipal advisor to act as a placement agent to solicit government entities on its behalf provided that the municipal advisor is subject to a pay-to-play rule adopted by the Municipal Securities Rulemaking Board (MSRB) that is at least as stringent as the investment adviser pay-to-play rule.

The Political Contributions rule addresses certain pay-to-play practices such as making or soliciting campaign contributions or payments to certain government officials to influence the awarding of investment contracts for managing public pension plan assets and other state governmental investments.

The rule applies to SEC registered advisers as well as advisers exempt from registration with the SEC pursuant to reliance on the private adviser exemption as provided in Section 203(b)(3) of the Advisers Act (hereafter, the "adviser"), which manage or seek to manage private investment funds in which government and governmental plans invest.

SEC Sets Compliance Date for Ban on Third-Party Solicitation

Rule 206(4)-5 prohibits an investment adviser subject to the rule, and its covered associates, from providing or agreeing to provide, directly or indirectly, payment to any third party for a solicitation of

advisory business from any government entity on behalf of such adviser, unless such third party is a "regulated person," defined as (i) an SEC-registered investment adviser, (ii) a registered broker or dealer subject to pay-to-play rules adopted by a registered national securities association, or (iii) a registered municipal advisor that is subject to pay-to-play rules adopted by the MSRB. The Commission must find, by order, that the rules applicable to broker-dealers and municipal advisors (i) impose substantially equivalent or more stringent restrictions than rule 206(4)-5 imposes on investment advisers, and (ii) are consistent with the objectives of rule 206(4)-5.

Advisers to registered investment companies that are "covered investment pools" must comply with the Rule requirements pertaining to such covered pools within one year after the effective date. During that interim time, contributions made by the adviser or its Covered Associates to government entity clients that have selected the adviser's registered investment company as an option of the plan or program will not trigger the prohibitions of the Rule.

Responsibility

Our firm's CCO, or other designated officer, has the responsibility for the implementation and monitoring of our firm's political contribution policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy, conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- completing (and returning to the Compliance Department) a "Political Contributions Attestation" form which asks questions related to, but not limited to, the following:

    * Dollar amount of contribution(s);

    * Name of candidate(s);

    * Name of office(s);

    * Election cycle(s); and

    * Election date(s).

- the CCO or other designated officer, determines who is deemed to be a "Covered Associate" of the firm and promptly advises those individuals of their status as such; maintains records including the names, titles, and business and residence addresses of all covered associates;
- the CCO or other designated officer, obtains appropriate information from new employees (or employees promoted or otherwise transferred into positions) deemed to be covered associates, regarding any political contributions made within the preceding two years (from the date s/he becomes a covered associate) if such person will be soliciting municipal business; such review

may include an online search of the individual's contribution history as part of the firm's general background check;

- political contributions made by covered associates must not exceed the rule's *de minimis* amount;
- prior to accepting a new advisory client that is a government entity, the CCO or other designated officer, will conduct a review of political contributions made by covered associates to ensure that any such contribution(s) did not exceed the rule's permissible *de minimis* amount;
- the CCO or other designated officer, quarterly monitors and maintains records identifying all government entities to which L.M. Kohn & Company provides advisory services, if any;
- the CCO or other designated officer, monitors and maintains records detailing political contributions made by the firm and/or its covered associates;
- the Compliance Officer, or other designated officer, will maintain appropriate records following the departure of a covered associate who made a political contribution triggering the two-year 'time out' period;
- the Compliance Officer, or other designated officer, maintains records reflecting approval of political contributions made by the firm and/or its covered associates;
- prior to engaging a third party solicitor to solicit advisory business from a government entity, the Compliance Officer, or other designated officer, will determine that such solicitor is (1) a "regulated person" as defined under this Rule and (2) determined that such individual has not made certain political contributions or otherwise engaged in conduct that would disqualify the solicitor from meeting the definition of "regulated person";
- at least annually, the Compliance Officer, or other designated officer, will require covered associates and any third party solicitors to confirm that such person(s) have reported any and all political contributions, and continue to meet the definition of "regulated person";
- the Compliance Officer, or other designated officer, maintains records of each regulated person to whom the firm provides or agrees to provide (either directly or indirectly) payment to solicit a government entity for advisory services on its behalf; and
- the Compliance Officer, or other designated officer, will monitor states' registration and/or reporting requirements pursuant to the firm's use of any "placement agents" (including employees of the firm and/or its affiliates) for the solicitation of or arrangements for providing advisory services to any government entity or public pension plan.

Principal Trading

Policy

L.M. Kohn & Company's policy and practice is to NOT engage in any principal transactions and our firm's policy is appropriately disclosed in Part 1A and Part 2A of Form ADV.

L.M. Kohn & Company will not engage in principal and / or agency cross transactions for or with advisory accounts. L.M. Kohn & Company does not hold, carry or trade fixed income or equity securities. All client fixed income sales will be subject to a minimum of 3 qualifying bids from qualifying brokers brokers, and or sources such as FINRA Market Data for TRAQs and the MSRB EMMA website for reported municipal transactions. All purchases will be made at the lowest prevailing market prices. As such, L.M. Kohn & Company will “buy away” from RBC Capital Markets LLC or TD Ameritrade when similar instruments may be purchased at a lower price to the benefit of the client.

Background

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. As a fiduciary and under the anti-fraud section of the Advisers Act, principal transactions by advisers are prohibited unless the adviser 1) discloses its principal capacity in writing to the client in the transaction and 2) obtains the client's consent to each principal transaction before the settlement of the transaction.

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of our principal trading policy and disclosures that the firm/affiliated firm does not engage in any principal transactions with advisory clients.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly, and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company's policy of prohibiting any principal trades with advisory clients has been communicated to relevant individuals, including management, traders and portfolio managers, among others;
- the firm's policy is appropriately disclosed in the firm's Form ADV, Parts 1A and 2A;
- Carl R. Hollister semi-annually monitors the firm's advisory services and trading practices to help ensure no principal trades occur for advisory clients; and
- in the event of any change in the firm's policy, any such change must be approved by management, and any principal transactions would only be allowed after appropriate reviews and approvals, disclosures, meeting strict regulatory requirements and maintaining proper records.

Privacy

Policy

As a registered investment adviser, L.M. Kohn & Company must comply with SEC Regulation S-P (or other applicable regulations), which requires registered advisers to adopt policies and procedures to protect the "nonpublic personal information" of natural person consumers and customers and to disclose to such persons policies and procedures for protecting that information. Nonpublic personal information includes nonpublic "personally identifiable financial information" plus any list, description or grouping of customers that is derived from nonpublic personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by L.M. Kohn & Co. to clients, and data or analyses derived from such nonpublic personal information. L.M. Kohn & Co. must also comply with the California Financial Information Privacy Act (SB1) if the firm does business with California consumers.

In addition, our firm's policy, to the extent applicable, is to comply with the FTC's FACT Act / Red Flags Rule to require covered entities to develop and maintain an effective client identity theft prevention program.

Further, and as a SEC registered advisory firm, our firm must comply with new SEC Regulation S-AM, to the extent that the firm has affiliated entities with which it may share and use consumer information received from affiliates.

L.M. Kohn & Company must also comply with the California Financial Information Privacy Act (SB1) if the firm does business with California consumers.

The policy of L.M. Kohn & Company is to protect the confidentiality, integrity and security of any non-public personal information of our clients and prospective clients and to prevent unauthorized access to, or the use or disclosure of such information.

Appropriate notices will be provided to prospective and existing clients concerning our firm's policies and procedures regarding the privacy rules. The notices will also include information about a client's right and the means to opt-out of the disclosure of non-public personal information to non-affiliated third parties.

Background

Regulation S-P / Privacy Rule

The purpose of these regulatory requirements and privacy policies and procedures is to provide administrative, technical and physical safeguards which assist employees in maintaining the confidentiality of non-public personal information ("NPI") collected from the consumers and customers of an investment adviser. All NPI, whether relating to an adviser's current or former clients, is subject to these privacy policies and procedures. Any doubts about the confidentiality of client information must be resolved in favor of confidentiality.

For these purposes, NPI includes non-public "personally identifiable financial information" plus any list, description or grouping of customers that is derived from non-public personally identifiable financial information. Such information may include personal financial and account information, information relating to services performed for or transactions entered into on behalf of clients, advice provided by the firm to clients, and data or analyses derived from such NPI.

Regulation S-P implements the GLB Act's requirements with respect to privacy of consumer nonpublic personal information for registered investment advisers, investment companies, and broker-dealers (each, a "financial institution"). Among other provisions, financial institutions are required to provide an ***initial*** notice to each customer that sets forth the financial institution's policies and practices with respect to the collection, disclosure and protection of customers' nonpublic personal information to both affiliated and nonaffiliated third parties. Thereafter, as long as the customer relationship continues to exist, the financial institution is required to provide an annual privacy disclosure to its customers describing the financial institution's privacy policies and practices unless it meets the requirements for the annual delivery exception as set forth below.

Significantly, on December 4, 2015, the President signed the *Fixing America's Surface Transportation Act* (the "FAST Act") into law. Among other provisions, the FAST Act includes an amendment of the consumer privacy provisions within the GLB Act. The amendment, which went into effect immediately, now provides an exception to the ***annual*** privacy notice distribution requirement if the financial institution meets the following two criteria: (i) the financial institution does not share nonpublic personal information with nonaffiliated third parties (other than as permitted under certain enumerated exceptions) and (ii) the financial institution's policies and practices regarding disclosure of nonpublic personal information have not changed since the last distribution of its policies and practices to its customers.

Regulation S-AM

SEC Regulation S-AM, effective 9/10/2009, with a postponed compliance date from 1/1/2010 to 6/1/2010, requires SEC investment advisers, and other SEC regulated entities, to the extent relevant, to implement limitations on the firm's use of certain consumer information received from an affiliated entity to solicit that consumer for marketing purposes. Regulation S-AM provides for notice and opt-out procedures, among other things. The compliance date was extended to allow registered firms to establish systems to meet the new regulatory requirements.

Responsibility

Carl R. Hollister is responsible for reviewing, maintaining and enforcing these policies and procedures to ensure meeting L.M. Kohn & Company's client privacy goals and objectives while at a minimum ensuring compliance with applicable federal and state laws and regulations. Carl R. Hollister may recommend to the firm's principal(s) any disciplinary or other action as appropriate. Carl R. Hollister is also responsible for distributing these policies and procedures to employees and conducting appropriate employee training to ensure employee adherence to these policies and procedures.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as

appropriate, which include the following:

Non-Disclosure of Client Information

L.M. Kohn & Company maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. L.M. Kohn & Company does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over L.M. Kohn & Company, or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Employees are prohibited, either during or after termination of their employment, from disclosing nonpublic personal information to any person or entity outside L.M. Kohn & Company, including family members, except under the circumstances described above. An employee is permitted to disclose nonpublic personal information only to such other employees who need to have access to such information to deliver our services to the client.

Safeguarding and Disposal of Client Information

L.M. Kohn & Company restricts access to nonpublic personal information to those employees who need to know such information to provide services to our clients.

Any employee who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartments or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving non public personal information, if appropriate at all, must be conducted by employees in private, and care must be taken to avoid any authorized persons overhearing or intercepting such conversations.

Safeguarding standards encompass all aspects of the L.M. Kohn & Company that affect security. This includes not just computer security standards but also such areas as physical security and personnel procedures. Examples of important safeguarding standards that L.M. Kohn & Company may adopt include:

- Access controls on customer information systems, including controls to authenticate and permit access only to authorized individuals and controls to prevent employees from providing customer information to unauthorized individuals who may seek to obtain this information through fraudulent means (e.g. requiring employee use of user ID numbers and passwords, etc.);
- Access restrictions at physical locations containing customer information, such as buildings, computer facilities, and records storage facilities to permit access only to authorized individuals (e.g. intruder detection devices, use of fire and burglar resistant storage devices);
- Encryption of electronic customer information, including while in transit or in storage on networks or systems to which unauthorized individuals may have access;

- Procedures designed to ensure that ensure that customer information system modifications are consistent with the firm's information security program(e.g. independent approval and periodic audits of system modifications);
- Dual control procedures, segregation of duties, and employee background checks for employees with responsibilities for or access to customer information (e.g. require data entry to be reviewed for accuracy by personnel not involved in its preparation; adjustments and correction of master records should be reviewed and approved by personnel other than those approving routine transactions, etc.);
- Monitoring systems and procedures to detect actual and attempted attacks on or intrusions into customer information systems (e.g. data should be auditable for detection of loss and accidental and intentional manipulation);
- Response programs that specify actions to be taken when the firm suspects or detects that unauthorized individuals have gained access to customer information systems, including appropriate reports to regulatory and law enforcement agencies;
- Measures to protect against destruction, loss, or damage of customer information due to potential environmental hazards, such as fire and water damage or technological failures (e.g. use of fire resistant storage facilities and vaults; backup and store off site key data to ensure proper recovery); and
- Information systems security should incorporate system audits and monitoring, security of physical facilities and personnel, the use of commercial or in-house services (such as networking services), and contingency planning.

Any employee who is authorized to possess "consumer report information" for a business purpose is required to take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal. There are several components to establishing 'reasonable' measures that are appropriate for the firm:

- Assessing the sensitivity of the consumer report information we collect;
- The nature of our advisory services and the size of our operation;
- Evaluating the costs and benefits of different disposal methods; and
- Researching relevant technological changes and capabilities.

Some methods of disposal to ensure that the information cannot practicably be read or reconstructed that L.M. Kohn & Company may adopt include:

- Procedures requiring the burning, pulverizing, or shredding or papers containing consumer report information;
- Procedures to ensure the destruction or erasure of electronic media; and
- After due diligence, contracting with a service provider engaged in the business of record destruction, to provide such services in a manner consistent with the disposal rule.

Privacy Notices

L.M. Kohn & Company will provide each natural person client with initial notice of the firm's current policy when the client relationship is established. L.M. Kohn & Company shall also provide each such client with a new notice of the firm’s current privacy policies at least annually. If L.M. Kohn & Company shares nonpublic personal information relating to a non-California consumer with an nonaffiliated company under circumstances not covered by an exception under Regulation S-P, the firm will deliver to

each affected consumer an opportunity to opt out of such information sharing. If L.M. Kohn & Company shares nonpublic personal information relating to a California consumer with a non affiliated company under circumstances not covered by an exception under SB1, the firm will deliver to each affected consumer an opportunity to opt in regarding such information sharing. If, at any time, L.M. Kohn & Company adopts material changes to its privacy policies, the firm shall provide each such client with a revised notice reflecting the new privacy policies. The Compliance Department is responsible for ensuring that required notices are distributed to the L.M. Kohn & Company customers.

Proxy Voting

Policy

L.M. Kohn & Company, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. The firm may offer assistance as to proxy matters upon a client's request, but the client always retains the proxy voting responsibility. L.M. Kohn & Company's policy of having no proxy voting responsibility is disclosed to clients.

L.M. Kohn & Company does not have authority to vote proxies, nor does L.M. Kohn & Company allow IARs registered with L.M. Kohn & Company to have the authority to vote proxies for clients.

Background

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Investment advisers registered with the SEC, and which exercise voting authority with respect to client securities, are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that client securities are voted in the best interests of clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its clients; (b) to disclose to clients how they may obtain information from the adviser with respect to the voting of proxies for their securities; (c) to describe to clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its clients; and (d) maintain certain records relating to the adviser's proxy voting activities when the adviser does have proxy voting authority.

Responsibility

N/A has the responsibility for the implementation and monitoring of our proxy policy and to ensure that the firm does not accept or exercise any proxy voting authority on behalf of clients without an appropriate review and change of the firm's policy with appropriate regulatory requirements being met and records maintained.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company discloses its proxy voting policy of not having proxy voting authority in its Firm Brochure (and Wrap Fee Program Brochure, if applicable) or other client information;
- L.M. Kohn & Company's advisory agreements provide that the firm has no proxy voting responsibilities and that the advisory clients expressly retain such voting authority;
- L.M. Kohn & Company's new client information materials may also indicate that advisory clients retain proxy voting authority;

- N/A reviews the nature and extent of advisory services provided by the firm and monitors such services annually to determine and confirm that client proxies are not being voted by the firm or anyone within the firm.

Registration

Policy

As an SEC-registered investment adviser, L.M. Kohn & Company maintains and renews its adviser registration on an annual basis through the Investment Adviser Registration Depository (IARD), for the firm, state notice filings, as appropriate, and licensing of its investment adviser representatives (IARs).

L.M. Kohn & Company's policy is to monitor and maintain all appropriate firm notice filings and IAR registrations that may be required for providing advisory services to our clients in any location. L.M. Kohn & Company monitors the state residences of our advisory clients, and will not provide advisory services unless appropriately registered as required, or a de minimis or other exemption exists.

L.M. Kohn & Company is registered as an investment adviser with the U.S. Securities and Exchange Commission and has been so registered since January of 1991.

L.M. Kohn & Company has submitted notice filings and has been approved in the following states to act in the capacity as a Registered Investment Adviser: Alabama (effective 7/31/2008), Arkansas (effective 8/13/03), Arizona (effective 2/10/04), California (effective 1/16/04), Colorado (effective 2/10/04), Delaware (effective 2/6/2014), Florida (effective 4/11/01), Georgia (effective 3/2/04), Illinois (effective (3/1/00), Indiana (effective 8/11/03), Iowa (effective 2/18/03), Kansas (effective 9/3/02), Kentucky (effective 12/21/00), Louisiana (effective 3/2/04), Maryland (effective 12/20/2011), Massachusetts (effective 2/10/04), Maine (effective 1/2/03), Michigan (effective 7/10/2012), Minnesota (effective 3/16/04), Missouri (effective 2/24/03), Nebraska (effective 2/24/03), New Hampshire (effective 1/20/06), New Jersey (effective 2/7/12), Nevada (effective 2/10/04), New York (effective 1/2/03), North Carolina (effective 2/10/04), Ohio (effective 11/1/99), Oklahoma (effective 2/24/03), Pennsylvania (effective 12/20/01), Rhode Island (effective 12/28/2015), South Carolina (effective 2/7/12), South Dakota (effective 2/11/04), Tennessee (effective 6/8/98), Texas (effective 3/24/03), Virginia (effective 3/4/04), Washington (effective 2/10/04), West Virginia (effective 1/20/06).

The policy of L.M. Kohn & Company is to comply with any SEC or state registration requirements that may apply to the firm and its associated persons and to renew and maintain the registrations and/or notice filings on a current basis with the SEC or states as appropriate.

SEC Amendment filings, as well as the required SEC Annual Filing, are processed either by Angela Boehm, or our consulting firm, National Regulatory Services (NRS). Robert Chess, Mike Bell, and Carl Hollister are responsible for periodically reviewing the information contained in the firm's ADV. Upon instruction from Mike Bell, Robert Chess, or Carl Hollister, any necessary changes are processed and upon proper approval are filed by Angela Boehm or NRS with the SEC. With the implementation of the electronic IARD system, Angela will handle the filings and maintenance, upon approval from Mike, Robert, or Carl.

Initial firm state notice filings are processed through NRS. The required paperwork is processed and submitted to the states on our behalf, directly from NRS. State notice filing renewals are tracked, processed and submitted by Angela upon approval by Mike Bell or Carl Hollister.

In the case of Ohio registered IARs, Angela processes the necessary paperwork required to renew each

rep's license on an annual basis. The forms are usually received at the home office each October and are due by the end of November. The current renewal fee of $45.00 is subtracted directly from the IAR's commissions. Angela also processes the initial paperwork when a representative joins the firm as an IAR, and also handles the termination paperwork necessary when an IAR leaves L.M. Kohn & Company. Any individual interested in becoming an IAR must first pass the Series 65 (and Series 63) or Series 66 (and Series 7), have a current CFP certification in a state that accepts the CFP certification in lieu of the licensing, or be approved by Mike Bell or Carl R. Hollister for business in a state that does not require licensing or the CFP certification. To sit for the Series 65 or Series 66 exam, contact Angela and she will process the necessary paperwork to open an exam window.Any material changes, i.e. address changes, disciplinary actions or customer complaints, that occur after an IAR application has been submitted to a state must be submitted to Mike, Robert, or Carl so that the information may be updated accordingly. Any IAR who is contemplating servicing a client in a state other than the state(s) they are approved in must contact Mike Bell or Carl Hollister PRIOR TO entering into any kind of agreement.

Background

In accordance with the Advisers Act, and unless otherwise exempt from registration requirements, investment adviser firms are required to be registered either with the Securities and Exchange Commission (SEC) or with the state(s) in which the firm maintains a place of business and/or is otherwise required to register in accordance with each individual state(s) regulations and de minimis requirements. The registered investment adviser is required to maintain such registrations on an annual basis through the timely payment of renewal fees and filing of the firm's Annual Updating Amendment.

Individuals providing advisory services on behalf of the firm are also required to maintain appropriate registration(s) in accordance with each state(s) regulations unless otherwise exempt from such registration requirements. The definition of investment adviser representative may vary on a state-by-state basis. Supervised persons providing advice on behalf of SEC-registered advisers are governed by the federal definition of investment adviser representative to determine whether or not state IAR registration is required. The investment adviser representative registration(s) must also be renewed on an annual basis through the IARD and the timely payment of renewal fees.

On February 15, 2012, the SEC adopted amendments to Rule 205-3 increasing the dollar thresholds used to determine whether an advisory client is a 'qualified client.' In addition to its primary application for ascertaining whether the adviser may charge a performance-based fee, the definition of a 'qualified client' is an important component of the federal definition of investment adviser representative.

Section 418 of the Dodd-Frank Act and Rule 205-3 require the SEC to adjust the dollar amounts in these tests for inflation, rounding to the nearest $100,000, beginning July 21, 2011 and every five years thereafter. Accordingly, on June 14, 2016, the Commission issued an order approving an inflation adjustment for the dollar amount test in Rule 205-3. On June 17, 2021, the Commission issued an order, effective as of August 16, 2021, increasing the dollar amount threshold of the assets-under-management test from $1,000,000 to $1,100,000 and the dollar amount threshold of the net worth test from $2,100,000 to $2,200,000.

Beginning in November 2011, FINRA implemented an annual Entitlement User Accounts Certification Process which requires the firm's designated Super Account Administrator (SAA) to review and update as necessary each user at their organization who is authorized to access specific applications on the IARD and/or CRD systems. If the SAA fails to complete the Certification Process within the proscribed 30

days, neither the SAA nor the firm's Accounts Administrators will be able to create, edit and clone user accounts for the firm until such time as the SAA complete the Certification Process.

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of our registration policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- the Compliance Department monitors the state residences of our advisory clients, and the firm and/or its IARs will not provide advisory services unless appropriately notice filed or licensed as required, or a de minimis or other exemption exists;
- L.M. Kohn & Company's Compliance Department monitors the firm's and IAR registration requirements on an on-going and annual basis;
- notice filings and IAR licensing filings are made on a timely basis and appropriate files and copies of all filings are maintained by the Compliace Department;
- L.M. Kohn & Company makes the annual filing of Form ADV within 90 days of the end of the firm's fiscal year (Annual Updating Amendment) to update all disclosures, including certain information required to be updated only on an annual basis;
- the firm's designated SAA will promptly respond to and complete FINRA's annual Entitlement User Accounts Certification Process to ensure that the firm maintains necessary and appropriate access to these systems. Annually, the SAA will conduct a full review of individuals authorized as Users on the firm's IARD/CRD system, including an assessment of each User's current authorization(s). The SAA will terminate or modify such authorizations based on each individual's need to access such applications.

Annually, L.M. Kohn & Company's Chief Compliance Officer, or other designated officer, is responsible for overseeing the IARD/CRD Annual Renewal Program, including:

- conducting a review of the current notice filings/registrations for the firm and its IARs prior to FINRA's publication of the current year's Preliminary Renewal Statement (typically published in early November);
- adding any necessary notice filings/registrations and/or withdrawing unnecessary notice filings/registrations on the IARD/CRD systems prior to the issuance of the Preliminary Renewal Statement to facilitate renewals and avoid payment of unnecessary registration fees;
- ensuring that payment of the firm's Preliminary Renewal Statement is made in a timely manner to avoid (i) termination of required notice filings and IAR registrations, and (ii) violations of regulatory requirements; and
- obtains and reviews the firm's Final Renewal Statement (published by FINRA on the first business day of the new year), and ensures prompt payment of any additional registration fees or obtains a refund for terminated registrations, if applicable.

Regulatory Reporting

Policy

As a registered investment adviser with the SEC, or appropriate state(s), L.M. Kohn & Company's policy is to maintain the firm's regulatory reporting requirements on an effective and good standing basis at all times. L.M. Kohn & Company also monitors, on an on-going and periodic basis, any regulatory filings or other matters that may require amendment or additional filings with the SEC and/or any states for the firm and its associated persons.

Any regulatory filings for the firm are to be made promptly and accurately. Our firm's regulatory filings may include Form ADV, Form PF, Schedules 13D, 13G, Form 13F, Form 13H, FBAR, FATCA, AIFMD, TIC Form SLT and/or TIC B Forms filings, among others that may be appropriate.

L.M. Kohn & Company's policy is to monitor, on an ongoing basis, any matters that may require the amendment or additional filings with the SEC and any states. Any such amendments are to be filed promptly and accurately.

It is also firm's policy to monitor on a periodic basis whether any securities-related filings or reports are required to be filed or amended including Form 13D, 13G, 13F, or others.

SEC Amendment filings, as well as the required SEC Annual Filing, are processed either by Angela Boehm, or our consulting firm, National Regulatory Services (NRS). Mike Bell, Robert Chess, and Carl Hollister are responsible for periodically reviewing the information contained in the firm's ADV. Upon instruction from Mike Bell, Robert Chess, or Carl Hollister, any necessary changes are processed and upon proper approval are filed by Angela Boehm or NRS with the SEC. With the implementation of the new electronic IARD system, Angela will handle the filings and maintenance, upon approval from Drew or Carl.

Any material changes, i.e. address changes, disciplinary actions or customer complaints, that occur after an IAR's information has been included in the Form ADV must be submitted to Mike, Robert, or Carl so that the information may be updated accordingly.

L.M. KOHN AND COMPANY DOES NOT PERMIT ANY ADVISOR TO MAINTAIN CUSTODY OF CUSTOMER ACCOUNTS.

Background

Form ADV serves as an adviser's registration and disclosure brochures. Form ADV, therefore, provides information to the public and to regulators regarding an investment adviser. Regulations require that material changes to Form ADV be updated promptly and that Form ADV be updated annually.

On June 5, 2019, the SEC adopted new rules requiring all SEC-registered investment advisers with retail clients to create a new Form ADV Part 3, also known as a Client Relationship Summary (Form CRS), with the purpose of further explaining the nature of their services and relationship, their fees and costs, and their standard of conduct and conflicts of interest to prospective clients.

Pursuant to rules adopted by the SEC implementing Sections 404 and 406 of the Dodd-Frank Act, SEC-registered investment advisers with at least $150 million in private fund assets under management are required to periodically file Form PF.

Schedules 13D, 13G, and Form 13F filings are required under the Securities Exchange Acts related to client holdings in equity securities. Form 13H filings are required under the Exchange Act for firms designated as large traders. Form D filings under Regulation D of the Securities Act of 1933 allow issuers of private securities to make offerings, *e.g.,* hedge and private equity fund offerings to investors without registration under the 1933 Act. The SEC has proposed amendments to Form D pursuant to rules adopted (i) permitting general solicitation and general advertising in Rule 506 offerings and (ii) 'Bad Actor' provisions that disqualify securities offerings involving certain "felons" and other 'bad actors' from relying on Rule 506 where an issuer or certain other 'covered persons' have had a disqualifying event.'

U. S. Department of the Treasury TIC Form SLT is filed with the Federal Reserve Bank of New York to report certain foreign-resident holdings of long-term U.S. securities and/or U.S.-resident holdings of long-term foreign securities; TIC B Forms require reporting of cross-border claims on and liabilities to foreign residents by various 'financial institutions' which include investment advisers and managers, hedge funds, private equity funds, pension funds and mutual funds, among many others. FBAR filings are required for every U.S. person who has a financial interest in, or signature or other authority over, any foreign financial accounts, including bank, securities, or other types of financial accounts in a foreign country, must report that relationship each calendar year by filing an FBAR with Treasury on or before June 30 of the succeeding year, if the aggregate value of these financial accounts exceeds $10,000 at any time during the calendar year.

Responsibility

Mike Bell has the responsibility for the implementation and monitoring of our regulatory reporting policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company makes the annual filing of Form ADV within 90 days of the end of the firm's fiscal year (Annual Updating Amendment) to update all disclosures, including certain information required to be updated only on an annual basis;
- L.M. Kohn & Company promptly updates our Disclosure Document and certain information in Form ADV Part 1, ADV Part 2, and ADV Part 3, as appropriate, when material changes occur and/or pursuant to any revisions to applicable reporting requirements;
- All employees should report to the Chief Compliance Officer or other designated officer any information in Form ADV that such employee believes to be materially inaccurate or omits material information; and
- As applicable, the Chief Compliance Officer or other designated officer will review Schedules 13D, 13G, and Form 13F, 13H and D, FBAR, TIC Forms (e.g., Forms B, C and SLT, as applicable)

and Form PF filing requirements among others and make such filings and keep appropriate records as required.

Safeguarding Client Assets

Background

As a fiduciary, the firm must prevent client assets from being mishandled. The firm has created safeguards to prevent and detect unauthorized or inappropriate activity in client accounts.

Policy

The CCO will review reports available to the firm from each custodian and/or clearing firm holding client assets to ensure that client assets are protected by the firm.

In addition to outside reports, the firm's CCO will monitor the firm's personnel for suspicious activities that might indicate unauthorized use of client assets.

Moreover, the firm will utilize its outside fund administrator to handle fees and any other billing issues to further mitigate the possibility of misappropriating client funds.

The firm will form a reasonable belief that all investors will be provided with audited financial statements for the funds within 120 days of the end of the fiscal year. Such audited financial statements will be prepared by an independent public accountant that is registered with, and subject to inspection by, the Public Company Accounting Oversight Board.

Procedures and Documentation

At least annually, the CCO will review reports available to the firm from each custodian and/or clearing firm holding client assets to ensure that client assets are being protected. Such reports may include:

- Client change of address requests;
- Requests to send documents, including statements or reports, to addresses other than the home addresses listed on clients' account documents;
- Trading activity reports, including redemption and repurchase requests. Most custodians create reports identifying activities in clients' accounts that are "exceptions" to the clients' normal activities; and
- Comparisons of IARs' personal trading activity and IARs' clients' trading activity.

At least annually, the firm's CCO will monitor the firm's IARs for suspicious activities that might indicate unauthorized use of client assets, which may include:

- Unapproved custom reports or statements produced by IARs or support staff;
- Unapproved outside business activities;
- Unapproved seminars or invitations sent to clients, or unapproved changes made to approved seminars or invitations;
- Calls or emails from clients with questions about unapproved products or offerings;
- Calls or emails from unapproved product sponsors (more than just the occasional contact to solicit business);

- Customer complaints;
- "Abnormal" or "suspicious" activities by firm personnel (e.g., frequent "closed door" meetings or calls not due to client privacy).

If applicable in the future, the firm shall adhere to the annual surprise examination requirement and engage an independent accountant to conduct the same.

Senior Investors

Policy

As a registered investment adviser, LM. Kohn & Company, as a part of its fiduciary duty to its clients and as a matter of best business practices, has adopted a policy in regard to senior investors. This policy, designed to offer extra protection to senior investors, includes periodic investment adviser training and access to educational materials, creating detailed disclosures and comparisons for complex products, and maintaining vigilance over suspected diminished capacity and senior abuse.

Background

Beginning in 2006, regulators have made collaborative efforts aimed at protecting senior investors by providing educational programs and conducting examinations focused on senior issues. In 2018, the SEC issued their 2018 National Exam Program Examination Priorities, in which they continue to prioritize the financial exploitation of senior investors. The SEC plans on focusing on several areas, including: the clear and proper disclosures provided to the investors in regards to the calculation of fees, expenses, and other charges; investment recommendations; and internal controls.

Realizing that senior financial abuse is an escalating problem, lawmakers in Congress passed bipartisan legislation aimed at curbing it and protecting potential victims, known as the Senior Safe Act, on May 24, 2018. The Act, should a firm choose to administer it, will grant immunity to individuals and their firms from any civil or administrative proceedings that may arise from disclosing any suspected exploitation of a senior citizen to a regulatory agency.

In order for immunity to be granted, the firm must administer the entire Senior Safe Act program. The firm, or a third party selected by the firm, must provide training to each officer or employee who: a) served as a supervisor or in a compliance or legal function; b) may come into contact with a senior client as a regular part of the professional duties of the individual; or c) may review or approve the financial documents, records, or transactions of a senior client in connection with providing financial services to that client. This training should occur as soon as reasonably practicable and no later than one year after any relevant individual becomes employed with the firm. An employee who received training and served as a supervisor or in a compliance or legal function will not be held liable for disclosing suspected exploitation as long as the disclosure was made in good faith and with reasonable care. Similarly, the firm will also not be held liable if the employee meets the Senior Safe Act's requirements.

The procedures below will also address industry best practices regarding the Senior Safe Act.

In January 2020, OCIE issued its 2020 Examination Priorities, in which OCIE has stated it will once again emphasize the protection of retail investors, particularly seniors and those saving for retirement. OCIE plans to prioritize the examinations of investment advisers, broker-dealers, and dually registered firms, focusing on recommendations and advice made by entities and individuals targeting retirement communities.

Responsibility

The Compliance Department has the responsibility for the implementation and monitoring of our policy on senior investors. Mike Bell, Carl R. Hollister, and Robert Chess are authorized to place a temporary hold on an account on behalf of the firm if financial exploitation is suspected. In addition, any associated persons should be alert to signs of diminished capacity and/or senior abuse when dealing with senior clients.

Procedures

LM. Kohn & Company has adopted procedures to implement our policy and reviews to monitor and ensure the policy is observed, implemented properly, and amended or updated, as appropriate, which may be summarized as follows:

- incorporate periodic education specific to senior investors and senior issues which address topics such as senior investors being fully informed of the features of any security they are purchasing, including the potential return and associated risks, changes in investment needs as investors age, and general training to educate investment advisers on sensitive matters relating to senior investors;
- for complex annuity products which are commonly sold to older customers we have adopted several forms designed to simplify the features of the product to determine suitability and help—which describes the features of a particular product, such as mortality and expense fees, surrender fees and period, the liquidity needs of the investor, account benefits and general information regarding the security—and require a customer signature;
- associated persons should meet with their senior clients on a regular basis, these meetings- whether in-person or on the phone- are a good way to make any necessary account updates, verify current account information, or look for signs of financial exploitation or diminished capacity;
- encourage senior clients to name a trusted contact person on all accounts when opening and updating account information;
- LM. Kohn & Company may communicate with the trusted contact regarding the client's health status, potential financial exploitation, and to confirm the identity of a legal guardian, executor, trustee, or holder of a power of attorney;
- upon the death of a senior client, LM. Kohn & Company will work with the beneficiaries, trustee, or executor on the next steps to take, which could include transitioning the current account to a new account, liquidating the current account, or transferring assets to the appropriate parties; and
- associated persons should immediately report any concerns of diminished capacity and senior abuse to Mike Bell, who will work with senior management in addressing concerns. This could include contacting the trusted contact person or placing a temporary hold on a disbursement of funds or securities if it is reasonably believed that financial exploitation has occurred, is occurring, or has or will be attempted.

Our firm, seeking immunity from suit under the Senior Safe Act (S.2155 Section 303), will also:

- incorporate educational materials into our training program or annual compliance meeting that will instruct employees on how to identify and report suspected exploitation internally, and, as appropriate, to government officials or law enforcement
- This could also include materials regarding
    - common warning signs that indicate financial exploitation of a senior client,
    - discuss the need to protect the privacy and respect the integrity of each individual customer of the firm, and
    - appropriateness to the job responsibilities of the individuals attending the training

Single-Stock Exchange Traded Funds

Policy

L.M. Kohn & Company does not permit the solicitation or recommendation (even with discretion) of single-stock Exchange Traded Funds.

Social Media

Policy

It is L.M. Kohn & Company's policy to monitor employee use of social media, networking and similar communications. Employees should take note that their social media and networking use is monitored by Compliance (on a daily basis) through the Smarsh archiving system and that their e-mails are monitored by Compliance (on a daily basis) through the Global Relay archiving system. There should be no expectation of privacy in the use of the Firm's Internet, e-mails, any use of blogs, instant messages, company-owned cellular phones and text messages on company-owned equipment under this policy. Every message leaves an electronic trail that's both traceable to a specific individual and accessible by L.M. Kohn & Company even if it is deleted. Blogging or other forms of social media or technology include but are not limited to: video or wiki postings, sites such as LinkedIn, Instagram, Facebook and Twitter, chat rooms, pod casts, virtual worlds, personal blogs, microblogs or other similar forms of online journals, diaries or personal newsletters.

L.M. Kohn & Company ("LMK") will retain records of any communications through the approved site. With respect to communications posted by associated persons of LMK on approved social media sites, such materials are considered advertisements because they can be viewed by anyone with access to these services. You are **PROHIBITED** from posting to these sites without receiving prior approval from your Supervising Principal or Compliance. Texting and Instant Messaging are **PROHIBITED.**

Participating in conversations in chat rooms is **PROHIBITED.** You may not publicly discuss clients, investment strategies or recommendations, investment performance, other products or services offered by the firm. You may not post on personal blogs or other sites the name, trademark, or logo of LMK or any business with a connection to LMK. You may not post company-privileged information, including copyrighted or trademarked information or company-issued documents. You may not post on personal blogs or social networking sites photographs of other employees, clients, vendors, or suppliers, nor can you post photographs of persons engaged in company business or at company events. You may not post on personal blogs and social media sites any advertisements or photographs of company products, nor sell company products and services. Associated persons may not link from a personal blog or social networking site to LMK's website. You should avoid including personal or account related information on social media communications. You are required to ensure that any postings or materials being shared on social media sites are done so in a professional nature.

More specifically, you are **PROHIBITED** from posting information or materials considered to be:

- Defamatory, libelous, confidential, harassing, abusive, threatening, obscene, harmful, offensive, objectionable or which may lead to liability or violation of law;
- Fraudulent, deceptive, or misleading;
- Infringing on the copyright, intellectual property, proprietary, or other rights of any person/entity;
- Violating any person's privacy or publicity rights;

- Attempting to influence polls, rankings, or web traffic;
- Promotional in nature or focused on selling a product or service;
- Phishing, spam, chain letters, scams, or pyramid schemes;
- Containing a virus or any other component that may harm a person's computer;
- Containing, depicting, or promoting illegal content or activities;
- Containing or requesting any personal or confidential information;
- Containing or requesting account numbers, policy numbers, or claim numbers;
- Containing or requesting e-mail addresses, phone numbers, or financial information; or
- Requesting or providing specific investment advice, recommendations, or testimonials.

Any information, comments, photos, and videos (along with any image, likeness, voice, and statements contained therein) and any other content or actions taken by users on our Social Sites ("User Content") is the responsibility of the person who posted them and does not necessarily reflect the views or opinions of LMK. We are not responsible, do not endorse, and do not confirm the accuracy of any User Content. This includes the ads, products, advice, opinions, recommendations of, or other material that any third-party may place on social media or other websites. Links to third-party sites and associated content are intended for informational purposes only and should not be considered investment advice or recommendations to invest. LMK is not responsible for the terms of use, privacy, or security policies of social media sites you visit, and any usage of these sites is at your own risk and subjects you to the terms and conditions of the site's social media provider.

LMK reserves the right, at any time, to amend the terms and conditions of its social media policies. Associated persons are expected to review, understand, and adhere to the firm's social media policies. Failure to comply with these policies may result in disciplinary measures including fines and possible termination.

AWARDS

Advisors must disclose to LMK if they are receiving a business-related award. If a advisor is paying award providers for the ability to promote themselves as award recipients, the associated person must ensure proper disclosures to the public that payments were made. PRIOR to any purchase, representatives must submit such requests for use of awards to compliance through the Financial Tracking site. The amount that was paid for any awards, plaques, or reprints for any advertisements must be disclosed in the reprints or the articles, near the plaques, or near any other physical awards representations. This must be in a prominent location that is visible. For social media and websites any description of any award received must have a hyper link that goes directly to the disclosure of such award. The disclosures must include a description of the criteria used for the award, any amounts paid for the awards, the number of awards that were granted, whether you are required to be a member of an organization to be eligible to receive the award, and whether the award was independently granted.

General Provisions

Unless specific to job scope requirements, employees are not authorized to and therefore may not speak on behalf of L.M. Kohn & Company through social media or otherwise. Employees may not

publicly discuss clients, investment strategies or recommendations, investment performance, other products or services offered by our Firm (or affiliates, if applicable), employees or any work-related matters, whether confidential or not, outside company-authorized communications. Employees are required to protect the privacy of L.M. Kohn & Company, its clients and employees, and are prohibited from disclosing personal employee and non-employee information and any other proprietary and non-public information to which employees have access. Such information includes but is not limited to customer information, trade secrets, financial information and strategic business plans.

Personal Blogs and Social Networking Sites. Bloggers and commenters are personally responsible for their commentary on blogs and social media sites. Bloggers and commenters can be held personally liable for commentary that is considered defamatory, obscene, proprietary or libelous by any offended party, not just L.M. Kohn & Company.

It is L.M. Kohn & Company's policy that no employee may use employer-owned equipment, including computers, company-licensed software or other electronic equipment, nor facilities or company time, to conduct personal blogging or social networking activities. Employees cannot use blogs or social media sites to harass, threaten, discriminate or disparage against employees or anyone associated with or doing business with L.M. Kohn & Company.

Employees may not post on personal blogs or other sites the name, trademark or logo of L.M. Kohn & Company or any business with a connection to L.M. Kohn & Company. Employees cannot post company-privileged information, including copyrighted or trademarked information or company-issued documents. Employees cannot post on personal blogs or social networking sites photographs of other employees, clients, vendors or suppliers, nor can employees post photographs of persons engaged in company business or at company events.

Employees cannot post on personal blogs and social media sites any advertisements or photographs of company products, nor sell company products and services. Employees cannot link from a personal blog or social networking site to L.M. Kohn & Company internal or external website.

Employees must pay to use the monitoring service from Smarsh, should they choose to utilize any of the social media platforms.

Text Messaging Policy. As L.M. Kohn & Company is unable to capture such communications, **no L.M. Kohn & Company business may be conducted via text messaging.**

Internet Monitoring. Employees are cautioned that they should have no expectation of privacy while using company equipment or facilities for any purpose, including authorized blogging. Employees are cautioned that they should have no expectation of privacy while using the Internet. Your postings can be reviewed by anyone, including L.M. Kohn & Company. L.M. Kohn & Company reserves the right to monitor comments or discussions about the company, its employees, clients and the industry, including products and competitors, posted on the Internet by anyone, including employees and non-employees. L.M. Kohn & Company uses blog-search tools and software, and/or may engage outside service

providers to periodically monitor forums such as blogs and other types of personal journals, diaries, personal and business discussion forums, and social networking sites.

Background

As a registered investment adviser, use of social media by our Firm and/or related persons of the Firm must comply with applicable provisions of the federal securities laws, including, but not limited to the following laws and regulations under the Advisers Act, as well as additional rules and regulations identified below:

Anti-Fraud Provisions: Sections 206(1), 206(2), and 206(4), and Rule 206(4)-1 thereunder;

Advertising: Rule 206(4)-1;

Compliance/Supervision: Rule 206(4)-7;

Privacy: Regulation S-P; and

Recordkeeping: Rule 204(2).

For example, business or client related comments or posts made through social media may breach applicable privacy laws or be considered "Advertising" under applicable regulations triggering content restrictions and special disclosure and recordkeeping requirements. Employees should be aware that the use of social media for personal purposes may also have implications for our Firm, particularly where the employee is identified as an officer, employee or representative of the firm. Accordingly, L.M. Kohn & Company seeks to adopt reasonable policies and procedures to safeguard the Firm and our clients.

On March 28, 2014 the staff of the SEC's Division of Investment Management published *Guidance on the Testimonial Rule and Social Media*. Recognizing that consumers are increasingly reliant on third-party recommendations, the SEC has issued this guidance "to clarify application of the testimonial rule as it relates to the dissemination of genuine third-party commentary that could be useful to consumers."

In summary and consistent with previously issued guidance, an investment adviser's or investment advisory representative's (IAR's) publication of ALL of the testimonials about the firm or its representatives from an independent social media site on the adviser's or IAR's own social media site or website would not implicate the concern underlying the testimonial rule – provided such advertisement complies with Rule 206(4)-1(a)(5) under the Advisers Act, i.e., it does not contain any untrue statement of a material fact, or is otherwise false or misleading.

L.M. Kohn & Company has adopted procedures to conduct internal reviews to monitor and ensure that the policy is observed, implemented properly, and amended or updated, as appropriate. These include the following:

- L.M. Kohn & Company's e-mail and electronic communications policy has been communicated to all persons within the Firm and any changes in our policy will be promptly communicated;

- obtaining attestations from personnel at the commencement of employment and regularly thereafter that employees (i) have received a copy of our policy, (ii) have complied with all such requirements, and (iii) commit to do so in the future;
- unless otherwise prohibited by federal or state laws, L.M. Kohn & Company will request or require employees provide the Compliance Department with access to any approved social networking accounts. Furthermore, static content posted on social networking sites must be preapproved by the Compliance Department;
- e-mails and any other electronic communications relating to L.M. Kohn & Company advisory services and client relationships will be maintained on an on-going basis and arranged for easy access and retrieval so as to provide true and complete copies with appropriate backup and separate storage for the required periods;
- establishing a reporting program or other confidential means by which employees can report concerns about a colleague's electronic messaging, website, or use of social media for business communications;
- the Compliance Department will monitor a random sampling of employee electronic communications, surveil social media use by employees and maintain documentary evidence of such surveillance in an applicable location on a daily basis;
- every social media post about our firm must be evaluated and approved by the Compliance Department, including tracking the lifecycle of each social media message, including the exact date and time it was created or deleted, and ensuring that a post meets regulatory standards;
- L.M. Kohn & Company will record the precise actions taken when a message is flagged during a review;
- L.M. Kohn & Company reserves the right to use content management tools to monitor, review or block content on company blogs that violate company blogging rules and guidelines;
- Our advisors receive periodic training on these rapidly changing platforms, with emphasis placed on:
    - personal versus business communication;
    - the consequences for violating the written rules;
    - which social media posts need to be approved prior to posting; and
    - which posts need reviewing after being posted.
- L.M. Kohn & Company requires employees to report any violation, or possible or perceived violation, to their supervisor, manager or Compliance Department. Violations include discussions of L.M. Kohn & Company, its clients and/or employees, any discussion of proprietary information (including trade secrets, or copyrighted or trademarked material) and any unlawful activity related to blogging or social networking; and
- L.M. Kohn & Company investigates and responds to all reports of violations of the social media policy and other related policies. Violation of the company's social media policy may result in

disciplinary action up to and including immediate termination. Any disciplinary action or termination will be determined based on the nature and factors of any blog or social networking post, or any unauthorized communication. L.M. Kohn & Company reserves the right to take legal action where necessary against employees who engage in prohibited or unlawful conduct. If you have any questions about this policy or a specific posting on the web, please contact the Compliance Department.

Soft Dollars

Policy

L.M. Kohn & Company, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

L.M. Kohn & Company does not utilize any research or other services on a soft dollar basis, and our policy is appropriately disclosed in Form ADV Part II.

Background

Soft dollars generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

Section 28(e) of the Securities Exchange Act of 1934 allows and provides a safe harbor for discretionary investment advisers to pay an increased commission, above what another broker-dealer would charge for executing a transaction, for research and brokerage services, provided the adviser has made a good faith determination that the value of the research and brokerage services qualifies as reasonable in relation to the amount of commissions paid. Further, under SEC guidelines, the determination as to whether a product or service is research or other brokerage services, and eligible for the Section 28(e) safe harbor, is whether it provides lawful and appropriate assistance to the investment manager in performance of its investment decision-making responsibilities.

In Interpretative Release *Commission Guidance Regarding Client Commission Practices Under Section 28(e)*, dated 7/24/2006, the SEC revised and clarified "brokerage and research services" in view of evolving technologies and industry practices. The Release updated prior Section 28(e) guidance and revised definitions including eligible and non-eligible research products and services for the Section 28(2) safe harbor. The SEC Release was effective 7/24/2006.

In 2008, the SEC proposed guidance about the responsibilities of boards of directors of investment companies regarding portfolio trading practices including soft dollars and best execution practices. (See Release Nos. 34-58264, IC-28345, and IA-2763, 7/20/2008).

On July 30, 2013, staff of the SEC's Division of Trading and Markets issued a no action letter confirming that commissions from certain fixed-income trades conducted on an agency basis can qualify for the Section 28(e) safe harbor, and that commissions from these fixed-income trades may be used to purchase third-party research, provided that (i) all applicable conditions of the Section 28(e) safe harbor are met and (ii) the institutional asset managers and [CCM] are otherwise complying with federal securities laws. (See *Carolina Capital Markets, Inc.,* SEC No-Action letter, available 7/30/2013)

Pursuant to the SEC's adoption of *Amendments to Form ADV* (Release No. IA-3060), advisers are required to disclose their practices regarding their use of soft dollars in response to Item 12 of the new Form ADV Part 2. Such disclosures should describe the adviser's practices, including:

- whether the firm's practices will cause the client to pay-up (*i.e.,* client accounts will pay more than the lowest available commission rate in exchange for the adviser receiving soft dollar products or services);
- the types of products and services received by the adviser or its related persons using client brokerage commissions ***within the adviser's last fiscal year***;
- procedures used ***during its last fiscal year*** to direct client transactions to certain brokers in return for soft dollar benefits; and
- identify potential conflicts of interest and how the adviser will address them (note that advisers must provide more explicit details for any products or services received that **do not** qualify under Section 28(e)).

Responsibility

Carl R. Hollister has the responsibility for the implementation and monitoring of our soft dollar policy that the firm does not utilize any research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- L.M. Kohn & Company's policy of prohibiting utilizing any research, and research-related products or services has been communicated to relevant individuals including management, traders and portfolio managers, among others;
- L.M. Kohn & Company's policy is appropriately disclosed in the firm's Part 2A of Form ADV: *Firm Brochure;*
- Carl R. Hollister annually monitors the firm's business relationships and advisory services to ensure no research services or products are being obtained on a soft dollar basis; and
- in the event of any change in the firm's policy, any such change must be approved by management, and any soft dollar arrangements would only be allowed after appropriate reviews and approvals, disclosures, meeting regulatory requirements and maintaining proper records.

Solicitors/Promotors

Policy

L.M. Kohn & Company, as a matter of policy and practice, does not compensate any persons, *i.e.,* individuals or entities, for the referral of advisory clients to the firm.

L.M. Kohn & Company does not compensate any persons, i.e., individuals or entities, for the referral of advisory clients to the firm.

Background

Under the SEC Marketing Rule, (Rule 206(4)-1) and comparable rules adopted by most states, investment advisers may compensate persons who solicit advisory clients for a firm if appropriate agreements exist, specific disclosures are made, and other conditions met under the rules. Under the SEC rule, a solicitor is defined as "any person who, directly or indirectly, solicits any client for, or refers any client to, an investment adviser.

The definition of client includes any prospective client.

During 2009, several states have adopted regulations prohibiting or limiting the use of "placement agents" by advisers and others for soliciting the advisory business of government entities and public pension plans.

Further, in July 2010, the SEC adopted a new anti-fraud Political Contributions Rule (Rule 206(4)-5) under the Investment Advisers Act, relating to and restricting political contributions by advisers and their "covered associates" to officials of state and state political subdivision governments in order to influence the awarding of investment contracts for managing public pension plan assets and government investments.

In December 2020, the SEC announced it had finalized reforms to modernize rules that govern investment adviser advertisements and compensation to promoters under the Investment Advisers Act of 1940. The amendments create a single rule that replaces the previous advertising and cash solicitation rules, Rule 206(4)-1 and Rule 206(4)-3, respectively, creating the new Marketing Rule, amended Rule 206(4)-1.

Responsibility

Carl R. Hollister has the responsibility for monitoring our firm's policy of not compensating (including non-cash compensation) any persons for referring clients or prospective clients to the firm unless appropriate agreements, records, disclosures and other regulatory requirements are met.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated as appropriate, which include the following:

- L.M. Kohn & Company's designated officer monitors the firm's business and client relationships to ensure no referral fees or non-cash compensation are paid to any person as solicitors;
- L.M. Kohn & Company's designated officer also reviews annually the Form ADV disclosures to ensure disclosures are accurate and current and consistent with the firm's policy of not paying any referral fees or providing non-cash compensation for soliciting clients for the firm; and
- L.M. Kohn & Company's designated officer may establish a policy and procedures for restricting and monitoring political contributions made by the firm and covered associates to government officials and/or candidates.

Supervision and Internal Controls

Policy

L.M. Kohn & Company has adopted these written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the firm's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements.

Should the firm notice a pattern of errors resulting in warnings or fines to the IAR, the firm reserves the right to place any IAR on heightened supervision. This means loss of privileges including, but not limited to the IAR not being able to enter trades (i.e., all trades being entered through the home office); not being able to act on discretion; having all emails being reviewed prior to being sent to the client or prospect; and being subject to more onsite unannounced visits by home office supervisors or compliance personnel. Additionally, the IAR will be subject to continuous supervision by a home office compliance supervisor for a specified period of time. The time period of heightened supervision will be determined on a case by case basis and will depend on the infractions and risks presented as a result of these infractions. Should the IAR fail to follow established policies and procedures even after their period of heightened supervision, then additional repercussions will be considered including possible termination.

Consistent with our firm's overriding commitment as fiduciaries to our clients, we rely on all employees to abide by our firm's policies and procedures; and, equally importantly, to internally report instances in which it is believed that one or more of those policies and/or practices is being violated. It is the expressed policy of this firm that no employee will suffer adverse consequences for any report made in good faith.

Any unlawful or unethical activities are strictly prohibited. All firm personnel are expected to conduct business legally and ethically, regardless of where in the world such business is transacted. Our firm's Code of Ethics also provides employees with a summary of L.M. Kohn & Company's Anti-Corruption practices.

L.M. Kohn & Company has adopted written policies and procedures which are designed to set standards for the firm, its employees, and its businesses and are also reasonably designed to detect and prevent any violations of regulatory requirements and the firm’s policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent and report any activities inconsistent with the firm’s procedures, policies and high professional standards.Our compliance chain of command is:

CEO: Larry M. Kohn

PRESIDENT: Carl Hollister

VP & CHIEF COMPLIANCE OFFICER: Mike Bell

VP OF SUPERVISION: Robert Chess

BROKERAGE: Carl Hollister, Mike Bell, Robert Chess

TRADING: Tim Schwiebert

WRAP PROGRAMS: Carl Hollister, Mike Bell, Robert Chess

MONEY MANAGER PROGRAM: Carl Hollister, Mike Bell, Robert Chess

Every individual of the firm will have a Direct Supervisor.

SHOULD L.M. KOHN & COMPANY BE REQUIRED TO SEEK LEGAL ASSISTANCE DUE TO THE ACTIONS OF AN IAR, ALL COST WILL BE PASSED THROUGH TO THE IAR. THIS INCLUDES ALL FILING FEES WITH FINRA AND SEC, ALL LEGAL FEES ASSOCIATED WITH THE TRANSACTION, AND ALL DEDUCTIBLES FROM THE ERRORS AND OMISSIONS COVERAGE.

Background

The SEC adopted the anti-fraud rule titled Compliance Procedures and Practices (Rule 206(4)-7) under the Advisers Act requiring more formal compliance programs for all SEC registered advisers. The rule became effective 2/5/2004 and SEC advisers had until 10/5/2004 (compliance date) to be in compliance with the rule.

Rule 206(4)-7 makes it unlawful for a SEC adviser to provide investment advice to clients unless the adviser:

1. adopts and implements written policies and procedures reasonably designed to prevent violations by the firm and its supervised persons;
2. reviews, at least annually, the adequacy and effectiveness of the policies and procedures;
3. designates a chief compliance officer who is responsible for administering the policies and procedures; and
4. maintains records of the policies and procedures and annual reviews.

Under Section 203(e)(6), the SEC is authorized to take action against an adviser or any associated person who has failed to supervise reasonably in an effort designed to prevent violations of the securities laws, rules and regulations. This section also provides that no person will be deemed to have failed to supervise reasonably provided:

1. there are established procedures and a system which would reasonably be expected to prevent any violations;
2. and such person has reasonably discharged his duties and obligations under the firm's procedures and system without reasonable cause to believe that the procedures and system were not being complied with.

Furthermore, on May 25, 2011, the SEC adopted final rules implementing the whistleblower provisions of the Dodd-Frank Act, which offer monetary incentives to persons who provide the SEC with information leading to a successful enforcement action. While the rules incentive rather than require prospective whistleblowers to use internal company compliance program, the regulations clarify that the SEC, when considering the amount of an award, will consider to what extent (if any) the whistleblower participated in the internal compliance processes of the firm.

Firms that engage in business activities outside of the United States may be subject to additional laws and regulations, including among others, the U.S. Foreign Corrupt Practices Act of 1977 as amended (the "FCPA") and the U.K. Bribery Act 2010 (the "Bribery Act"). Both these laws make it illegal for U.S. citizens and companies, including their employees, directors, stockholders, agents and anyone acting on their behalf (regardless of whether they are U.S. citizens or companies), to bribe non-U.S. government officials. The Bribery Act is more expansive in that it criminalizes commercial bribery and public corruption, as well as the receipt of improper payments.

Responsibility

Every employee has a responsibility for knowing and following the firm's policies and procedures. Every person in a supervisory role is also responsible for those individuals under his/her supervision. The President, or a similarly designated officer, has overall supervisory responsibility for the firm.

Recognizing our shared commitment to our clients, all employees are required to conduct themselves with the utmost loyalty and integrity in their dealings with our clients, customers, stakeholders and one another. Improper conduct on the part of any employee puts the firm and company personnel at risk. Therefore, while managers and senior management ultimately have supervisory responsibility and authority, these individuals cannot stop or remedy misconduct unless they know about it. Accordingly, all employees are not only expected to, but are required to report their concerns about potentially illegal conduct as well as violations of our company's policies.

Mike Bell, as the Chief Compliance Officer, has the overall responsibility for administering, monitoring and testing compliance with L.M. Kohn & Company's policies and procedures. Possible violations of these policies or procedures will be documented and reported to the appropriate department manager for remedial action. Repeated violations, or violations that the Compliance Officer deems to be of serious nature, will be reported by the Compliance Officer directly to the President, or a similarly designated officer, and/or the Board of Directors for remedial action.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy, conducts reviews of internal controls to monitor and ensure the firm's supervision policy is observed, implemented properly and amended or updated, as appropriate which including the following:

- designation of a Chief Compliance Officer as responsible for implementing and monitoring the firm's compliance policies and procedures;
- an Annual Compliance Meeting and on-going and targeted compliance training;
- procedures for screening the background of potential new employees;
- initial training of newly hired employees about the firm's compliance policies;

- adoption of these written policies and procedures with statements of policy, designated persons responsible for the policy and procedures designed to implement and monitor the firm's policy;
- the annual review of the firm's policies and procedures by the Compliance Officer and senior management;
- annually reviews of employees' activities, *e.g.,* outside business activities, personal trading, etc., are conducted;
- annual written representations by employees as to understanding and abiding by the firm's policies;
- to facilitate internal reporting by firm employees, the firm has established several alternatives methods to allow employees to report their concerns, including drop boxes, a toll-free number, and open channels of communications to the firm's compliance staff;
- internal reports will be handled promptly and discretely, with the overall intent to maintain the anonymity of the individual making the report. When appropriate, investigations of such reports may be conducted by independent personnel; and
- supervisory reviews and sanctions for violations of the firm's policies or regulatory requirements.

Anti-Corruption Procedure

L.M. Kohn & Company has adopted written policies and procedures relative to any of our off-shore business undertakings. These policies and procedures have been developed proportionate to the firm's risk and are designed to deter and detect foreign bribery. They are applicable to all officers, directors, and employees, as well as other entities over which our firm has control, with respect to foreign business activities we conduct. Our policies include the following:

- our firm's policies regarding gifts, entertainment, charitable contributions and solicitation activities are contained herein and are generally applicable to any of our business activities, except with respect to any interaction with a foreign government official;
- because of regulatory implications, our firm policy prohibits providing anything of value to a foreign government official without first obtaining approval from a designated officer of the firm;
- our firm's policy prohibits facilitation payments;
- we will conduct risk-based due diligence prior to the engagement of third-parties such as joint-venture partners, consultants, representatives, contractors, agents and other intermediaries, and any other individuals/entities representing our firm;
- we will provide such third-parties with our firm's anti-corruption/anti-bribery policies and obtain their written commitment to abide by such policies;
- we have a financial/accounting system that ensures the maintenance of accurate records and accounts;
- our HR policies ensure that no employee will suffer any adverse consequences for refusing to pay bribes—even if that may result in the loss of business;
- we provide appropriate anti-corruption compliance training for the firm's officers, directors and those employees having possible exposure to corruption; additionally, new employees will undergo appropriate training upon joining the company when such training is relevant to the individual's job function;

- L.M. Kohn & Company's CCO or other designated officer should be contacted directly with any questions concerning the firm's practices (particularly when there is an urgent need for advice on difficult situations in foreign jurisdictions);
- we require annual written certification by each officer, director or employee of his/her commitment to abide by the firm's anti-corruption policy;
- we require mandatory reporting to L.M. Kohn & Company's CCO or other designated officer of any incident or perceived incident of bribery; consistent with our firm's Whistleblower reporting procedures, such reports will be investigated and handled promptly and discretely; and
- violations of the firm's policies may result in disciplinary actions up to and including termination of employment.

Trading

Policy

As an adviser and a fiduciary to our clients, our clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the client's favor.

Our firm has adopted the following policies and practices to meet the firm's fiduciary responsibilities and to ensure our trading practices are fair to all clients and that no client or account is advantaged or disadvantaged over any other.

Also, L.M. Kohn & Company's trading practices are generally disclosed in response to Item 12 in Part 2A of Form ADV, which is provided to prospective clients and annually delivered to current clients.

As an adviser and a fiduciary to the firm's clients, our client's interests are placed first and foremost and our trading practices and procedures prohibit unfair trading practices. Also, they seek to disclose and avoid any conflicts of interests or resolve such conflicts in the client's favor.

Trading: All trading will be completed in accordance with all SEC and FINRA rules and regulations. All trading discrepancies must be reported to an L.M. Kohn & Company principal, Mike Bell, Robert Chess, or Carl Hollister, immediately (by the settlement date.)

Trade Errors: Will be immediately reported to Mike Bell, Robert Chess, and Carl Hollister at L.M. Kohn & Company. The trade will be placed in the error account and corrected. Any loss or cost to correct the trade will be paid by the investment adviser representative.

Trade Errors Through Another Brokerage Firm: The investment adviser will report the error to Mike Bell, Robert Chess, or Carl Hollister of L.M. Kohn & Company immediately. The investment adviser will direct the executing broker to furnish evidence that the trade was corrected and the advisory client suffered no loss due to the error.

Allocation: All allocation will be on a "pro-forma" basis. In any instance where the allocation does not cover the aggregate consideration, neither the adviser nor any employee of L.M. Kohn & Company will receive any allocation.

ALL TRADING ERRORS MUST BE REPORTED TO L.M. KOHN & COMPANY IMMEDIATELY.

Background

As a fiduciary, many conflicts of interest may arise in the trading activities on behalf of our clients, our firm and our employees, and must be disclosed and resolved in the interests of the clients. These conflicts must also be disclosed in Form ADV Part 3 (Form CRS). In addition, securities laws, insider trading prohibitions and the Advisers Act, and rules thereunder, prohibit certain types of trading activities.

Indicative of heightened regulatory concerns, the SEC's Office of Compliance Inspections and Examinations (OCIE) issued a Risk Alert on February 27, 2012, focused on an adviser's practices and controls designed to prevent unauthorized trading and other trade-related unauthorized activities. (See *Strengthening Practices for Preventing and Detecting Unauthorized Trading and Similar Activities*, publicly available 02/27/2012).

In June 2020, OCIE issued a Risk Alert which listed certain compliance issues found when OCIE performed examinations on registered investment advisers, including conflicts related to the allocation of investments. The staff observed private fund advisers that did not provide adequate disclosure about conflicts relating to allocations of investments among clients, including preferentially allocating limited investment opportunities to new clients, higher fee-paying clients, or proprietary accounts, and also advisers allocating securities at different prices or in apparently inequitable amounts among clients (1) without providing adequate disclosure about the allocation process or (2) in a manner inconsistent with the allocation process disclosed to investors.

Aggregation

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients.

Our firm's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

In the event transactions for an adviser, its employees or principals ("proprietary accounts") are aggregated with client transactions, conflicts arise and special policies and procedures must be adopted to disclose and address these conflicts.

Allocation

As a matter of policy, an adviser's allocation procedures must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients. Adequate disclosure must also be provided in the event of any conflicts arising.

L.M. Kohn & Company's policy prohibits any allocation of trades in a manner that affiliated accounts or any particular client(s) or group of clients receive more favorable treatment than other client accounts.

L.M. Kohn & Company has adopted a clear written policy for the fair and equitable allocation of transactions (*e.g.,* pro-rata allocation, rotational allocation, or other means).

IPOs

Initial public offerings ("IPOs") or new issues are offerings of securities which frequently are of limited size and limited availability. These offerings may trade at a premium above the initial offering price.

In the event L.M. Kohn & Company participates in any new issues or is allocated shares, L.M. Kohn & Company's policy and practice is to allocate new issues shares fairly and equitably among our advisory

clients according to a specific and consistent basis so as not to advantage any firm, personal or related account and so as not to favor or disfavor any client, or group of clients, over any other.

Trade Errors

As a fiduciary, L.M. Kohn & Company has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to L.M. Kohn & Company's actions, or inaction, or actions of others, L.M. Kohn & Company's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting L.M. Kohn & Company in any way.

If the error is the responsibility of L.M. Kohn & Company, any client transaction will be corrected and L.M. Kohn & Company will be responsible for any client loss resulting from an inaccurate or erroneous order.

L.M. Kohn & Company's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

Large Trader Reporting

Large traders (defined as a person whose transactions in NMS securities in aggregate equal to or exceed two million shares or $20 million during any calendar day, or 20 million shares or $200 million during any calendar month) will be required to identify themselves to the SEC through the filing of Form 13H on the EDGAR system.

L.M. Kohn & Company's policy and practice is to monitor the volume of trading conducted to determine if and when we become subject to filing Form 13H.

Upon the determination that L.M. Kohn & Company is a large trader subject to the large trading reporting requirements, the firm will submit its initial Form 13H filing (*i.e.,* within 10 days of first effecting transactions in an aggregate amount equal to or greater than the identifying activity level) and disclose our status as a large trader to registered broker-dealers effecting transactions on our behalf.

Once designated as a large trader, L.M. Kohn & Company will effect the annual filing of Form 13H within 45 days of our fiscal year end and ensure that any amendments to Form 13H are timely filed.

Mutual Funds

L.M. Kohn & Company's policy is that our investment adviser representatives must purchase the lowest expense share class when purchasing mutual funds for advisory clients' accounts. Although rare, occasionally the lowest expense share class will pay additional trailing commissions, commonly referred to as 12b-1 fees. L.M. Kohn & Company prohibits our representatives from receiving these 12b-1 fees from advisory clients. We have arranged through our clearing firm that all 12b-1's paid by the fund company are automatically rebated back to the client. We have developed supervisory procedures to confirm that all 12b-1's received through the clearing firm are rebated to the client.

Through our agreement with TD Ameritrade we are not receiving 12b-1's. Our IAR's are to use the lowest cost share class mutual funds for all mutual fund purchases.

UIT's

Our firm's policy is to only effect transactions in fee based UIT's when trading in advisory accounts. L.M. Kohn & Company has developed procedures for supervising UIT trades to ensure that the appropriate fee based UIT is being bought in advisory accounts. The representative should review the UIT's CUSIP prior to effecting the transaction to ensure that the correct CUSIP is being used when purchasing a UIT for advisory clients.

The representative will be responsible for all trade correction costs and market value loss resulting from the representative's trading errors.

Commissions in Advisory Accounts

Advisory clients in wrap accounts will not pay any trading or execution costs. However, there is an option for our investment adviser representatives to charge a commission in addition to an advisory fee in non wrap accounts on the UMAS platform, but commissions can only be used to offset the representative's trading costs. We do not allow a mark up higher than the cost that the representative is charged to execute a transaction.

The representative will be responsible for all trade correction costs resulting from charging an erroneous commission that does not match the amount on the advisory agreement, or charging a commission in any wrap account. The commissions will be credited back to the client's account.

Reverse Churning

"Reverse churning" is a situation in which an adviser collects fees without really managing a client's account. The main concern is that clients may eventually pay more in the fee-based accounts than in the commission-based accounts, with very little additional service or advice to compensate for the increased price tag. LMK prohibits this practice and the Compliance Department reviews accounts on a periodic basis to help ensure and verify that this is not taking place. Accounts that have been identified as having "reverse churning" will be subject to being terminated from the advisory platform and moved over to the retail brokerage side of the business.

Responsibility

The Compliance Department has the responsibility for the implementation and monitoring of our trading policies and practices, disclosures and recordkeeping for the firm.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's trading policies are observed, implemented properly and amended or updated, which include the following:

- trading reviews, reconciliations of any and all securities transactions for advisory clients;

- monitoring commissions that are charged to advisory clients to ensure that no commission is charged on a wrap account, or that the commission charged is disclosed and signed off on by the client on the current advisory agreement. This is monitored daily through trade reviews conducted on ProSurv, and monthly through a report listing all commissions charged on the UMAS platform. This report is reviewed by Kristin Hobbs for any commissions that should not have been charged, then the findings are sent to Carl Hollister, Robert Chess, or Mike Bell for approval to correct the error(s). The representative will be notified of the trade correction, and the client's account will be credited with the correct amount.

- monitoring the volume of the firm's transactions in NMS securities to determine if and when the firm is subject to large trader reporting obligations;

- (where possible,) instituting a segregation of trading-related roles and functions to ensure a functional process of checks and balances;

- providing adequate disclosure about conflicts relating to allocations of investments among clients;

- establishing threshold reporting levels that require the trader to report to a member of senior management whenever a position loses value beyond a defined limit or begins to lose value in an unanticipated manner;

- L.M. Kohn & Company will conduct periodic supervisory reviews of the firm's trading practices;

- monitoring defined criteria that will trigger additional or heightened scrutiny of trading activity, including but not limited to, (i) unusual or high volume of trade error account activity; (ii) frequency of risk limit breaches; (iii) frequent requests for trade limit increases for the same counterparty; (iv) concentration of profitable or unprofitable trades, or patterns of trades and offsetting trades with the same counterparty; (v) reasons for and patterns in remote access trading accounts;

- annually conducts reviews of the firm's Form ADV, advisory agreements, and other materials for appropriate disclosures of the firm's trading practices and any conflicts of interests; and

- designation of a Brokerage Committee, or other designated person, to review and monitor the firm's trading practices.

If the firm is a 'Large Trader' pursuant to SEC Rule 13h-1 (the Large Trader Rule), the firm's trading practices should include the following:

- providing the firm's LTID (large trader identification number) to all registered broker-dealers executing trades on its behalf;

- maintaining an accurate and current list of its approved registered broker-dealers which details regarding notification of the firm's LTID; and
- ensuring timely filing of the annual update to Form 13H as well as quarterly updates when necessary, to correct information previously disclosed that has become inaccurate.

Valuation of Securities

Policy

As a registered adviser and as a fiduciary to our advisory clients, L.M. Kohn & Company, has adopted this policy which requires that all client portfolios and investments reflect current, fair and accurate market valuations. Any pricing errors, adjustments or corrections are to be verified, preferably through independent sources or services, and reviewed and approved by the firm's designated person(s) or pricing committee.

- For assets custodied through RBC Capital Markets Corporation or TD Ameritrade, L.M. Kohn & Company will rely upon the pricing services utilized by the custodians for valuation and pricing information.
- For assets held at investment companies or insurance companies, L.M. Kohn & Company will rely upon their pricing services as accurate for valuation and pricing information.

Background

As a fiduciary, our firm must always place our client's interests first and foremost and this includes pricing processes, which ensure fair, accurate and current valuations of client securities of whatever nature. Proper valuations are necessary for accurate performance calculations and fee billing purposes, among others. Because of the many possible investments, various pricing services and sources and diverse characteristics of many investment vehicles, independent sources, exception reporting, and approvals and documentation or pricing changes are necessary with appropriate summary disclosures as to the firm's pricing policy and practices. Independent custodians of client accounts may serve as the primary pricing source.

On May 12, 2011, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB) issued new guidance on fair value measurement and disclosure requirements under US generally accepted accounting principles GAAP and International Financial Reporting Standards (IFRS).

Among other things, the update defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (*i.e.,* an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Furthermore, when measuring fair value, a reporting entity must take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Additional guidance is provided on valuations techniques such as market approach, cost approach and income approach.

In June 2020, OCIE issued a Risk Alert which listed certain compliance issues found when OCIE performed examinations on registered investment advisers, including conflicts related to valuations. The staff observed private fund advisers that did not value client assets in accordance with their valuation processes or in accordance with disclosures to clients. In some cases, the staff observed that this failure

to value a private fund's holdings in accordance with the disclosed valuation process led to overcharging management fees and carried interest because such fees were based on inappropriately overvalued holdings.

Video Conferencing

Policy

Video conferencing is considered a type of public appearance from a regulatory standpoint. When video conferencing is being utilized for a seminar, client meeting, webinar, or other public appearance speaking activity that is unscripted and does not constitute a retail communication or correspondence, associated persons must adhere to the following general standards listed under FINRA Rule 2210(d):

A) All member communications must be based on principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular security or type of security, industry, or service. No member may omit any material fact or qualification if the omission, in light of the context of the material presented, would cause the communications to be misleading.

(B) No member may make any false, exaggerated, unwarranted, promissory or misleading statement or claim in any communication. No member may publish, circulate or distribute any communication that the member knows or has reason to know contains any untrue statement of a material fact or is otherwise false or misleading.

(C) Information may be placed in a legend or footnote only in the event that such placement would not inhibit an investor's understanding of the communication.

(D) Members must ensure that statements are clear and not misleading within the context in which they are made, and that they provide balanced treatment of risks and potential benefits. Communications must be consistent with the risks of fluctuating prices and the uncertainty of dividends, rates of return and yield inherent to investments.

(E) Members must consider the nature of the audience to which the communication will be directed and must provide details and explanations appropriate to the audience.

(F) Communications may not predict or project performance, imply that past performance will recur or make any exaggerated or unwarranted claim, opinion or forecast.

Per FINRA Rule 2210(f), any recommendations made must include the following disclosures (if applicable):

(A) any financial interest in any of the securities of the issuer whose securities are recommended, and the nature of the financial interest (including, without limitation, whether it consists of any option, right, warrant, future, long or short position), unless the extent of the financial interest is nominal; and

(B) any other actual, material conflict of interest of the associated person or member of which the associated person knows or has reason to know at the time of the public appearance.

Procedure

Education, training, and procedural updates are to be provided by the firm and must be adhered to by its associated persons. Event documentation is to be archived according to regulatory recordkeeping requirements. Video conference recording, if utilized, requires prior notification to all attendees. The firm will conduct post review and additional follow-up (if applicable) to help ensure that its procedures are implemented and adhered to. Associated persons must be appropriately registered/licensed in all state(s) where the video conference attendees reside.

Any scripts, slides, handouts or other written (including electronic) materials used in connection with video conferencing must be approved by the firm prior to use.

The firm mandates that associated persons providing information via “desktop share” close all non-related background windows to help ensure that proprietary firm or customer related information is not inadvertently leaked.

Wrap Fee Adviser

Policy

L.M. Kohn & Company provides investment advice in a wrap fee program and is compensated by the wrap fee sponsor for providing advisory services for the management of client portfolios participating in the wrap fee program(s).

L.M. Kohn & Company discloses its participation, services and fees in any wrap fee programs in Form ADV, determines that clients are appropriate for the firm's advisory services offered through the wrap fee program and counts and treats wrap fee clients as clients of the firm.

Background

A wrap fee program is defined as any program under which any client is charged a specified fee or fees not based directly upon transactions in a client's account for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.

Wrap fee programs also typically include custody services as part of the all-inclusive services in the program.

Execution of transactions in client wrap accounts will be $0. We do not allow advisers to charge commissions in addition to fees for wrap accounts. They have responsibility for any trade correction costs associated with transaction errors.

Wrap fee programs are not suitable for all clients, careful consideration must be taken when recommending a wrap fee program. For example, a wrap program may not be suitable for a client looking to execute a buy and hold investing strategy. However, a client looking to incorporate more of an active trading strategy would benefit from not having to pay transaction costs. IAR's should gather as much information as possible through documentation, conversations with the client, and other means of communication prior to determining whether a wrap fee program is a suitable for that particular client.

Responsibility

The Compliance Department has responsibility for the implementation and monitoring of our wrap fee policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly, amended or updated as appropriate which include the following:

- L.M. Kohn & Company's management approves the firm's participation in any wrap fee program;

- L.M. Kohn & Company's designated person reviews and approves new wrap fee clients selecting the firm's advisory services for each wrap fee program in which the firm participates;
- L.M. Kohn & Company's designated person reviews ongoing wrap fee client accounts periodically to ensure the ongoing wrap program continues to be suitable for the client.
- L.M. Kohn & Company's designated person monitors trading away practices, if any, and the costs associated with such transactions, to verify trading in wrap accounts is consistent with the protocols established by the wrap program sponsor;
- L.M. Kohn & Company's designated person annually reviews and amends the firm's Form ADV disclosures, as appropriate, to disclose the firm's participation in wrap fee program(s); and
- L.M. Kohn & Company arranges for either the firm, or the wrap fee program sponsor, to deliver prospective clients the firm's applicable Form ADV Part 2 Brochure(s) and the sponsor's *Wrap Fee Program Brochure*, and to annually deliver either the firm's applicable Form ADV Part 2 Brochure(s), or a summary of material changes and an offer to deliver the updated Brochure(s) without charge, to existing wrap fee clients.

Wrap Fee Sponsor

Policy

L.M. Kohn & Company sponsors a wrap fee program and is compensated in the program for sponsoring, organizing or administering the program, or for selecting, or providing advice to clients regarding the selection of other investment advisers in the program.

As the sponsor, and as a matter of policy, L.M. Kohn & Company has prepared Part 2A Appendix of Form ADV: Wrap Fee Program Brochure (formerly Form ADV Schedule H) which is maintained on a current basis with appropriate disclosures regarding the program, fees, services, and conflicts of interest, among other things which is provided to any prospective clients who are appropriate for the wrap fee program and to any subadvisers participating in the wrap fee.

L.M. Kohn & Company participates in, but does not sponsor, fee based programs with outside managers and RBC Correspondent Services based fee based accounts in which a client is charged a specified and all-inclusive fee which includes 1) investment advisory services, 2) custody and 3) the execution of client transactions. As required, the firm will provide and make appropriate disclosures with the program sponsor's Form ADV Schedule H brochure and make necessary suitability determinations among other requirements, for any wrap fee program client.

Background

A wrap fee program is defined as any program under which any client is charged a specified fee or fees not based directly upon transactions in a client's account for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.

Wrap fee programs also typically include custody services as part of the all-inclusive services in the program.

Execution of transactions in client wrap accounts will be $0. We do not allow our representatives to charge commissions in addition to fees for any wrap account. The representative will be responsible for all trade correction costs associated with the transaction errors.

Careful documentation and consideration to suitability must be given when recommending L.M. Kohn & Company's wrap fee program to a client. L.M. Kohn & Company's wrap program is not suitable for all customers, IAR's must consider all relevant factors prior to recommending L.M. Kohn & Company's wrap fee program. For example, a buy and hold strategy could end up being more expensive and less suitable than a standard brokerage account. Suitability for L.M. Kohn & Company's wrap program should be established through documentation on forms, conversations with the client, and other forms of communication. Wrap programs may be more appropriate for actively traded accounts with the IAR as the portfolio manager, or another active portfolio manager.

Responsibility

The CCO has the responsibility for the implementation and monitoring of our wrap fee policy, practices, disclosures and recordkeeping.

Procedure

L.M. Kohn & Company has adopted various procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate which include the following:

- L.M. Kohn & Company's designated person reviews annually the components of the wrap fee program including, adviser(s), subadvisers, broker-dealer and custodian(s) and the services provided by each which includes an assessment of whether participating advisers are permitted to "trade away" from the firm's wrap trading desk;
- L.M. Kohn & Company's designated person shall require participating advisers to provide periodic data pursuant to any trading away activity, including the frequency of such transactions (on a per strategy basis, if applicable) and the associated costs on a per trade/share basis;
- L.M. Kohn & Company's designated person shall also conduct annually an analysis of accounts to identify wrap accounts with low levels of trading and wrap accounts with high cash balances, such accounts may be deemed unsuitable for continued participation in L.M. Kohn & Company's wrap program.
- L.M. Kohn & Company's designated person also reviews at least semi-annually basis, L.M. Kohn & Company's Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure* and Form ADV Part 1, and makes amendments as appropriate to maintain and ensure the firm's disclosures and documents are accurate and current; and
- L.M. Kohn & Company distributes, at least annually, the firm's *Wrap Fee Program Brochure*, and *Brochure Supplements*, as amended, to (i) participants of the wrap fee program, and (ii) advisers and/or subadvisers of the program for delivery to current and prospective clients.