



FIRM BROCHURE

MCELHENNY SHEFFIELD CAPITAL MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of McElhenny Sheffield Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (214) 922-9200 or bruce@mscm.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about McElhenny Sheffield Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

October 11, 2023

Item 2 Material Changes

The following material changes have been made to this Brochure since the last annual update on March 10, 2023:

- Item 9: The brochure was amended to include a settlement that the SEC offered, and MSCM agreed to accept, relating to alleged violations of Section 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-1(d) thereunder regarding the use of hypothetical performance information on MSCM's public website.
- Item 8: Certain risks of investing were added.
- Item 13: The brochure was amended to clarify the types of reviews that are conducted of Client Accounts.

This disclosure brochure filing will either be delivered, or offered for delivery, to clients. A copy of this brochure, as well as MSCM's Form CRS disclosure for retail clients, is available for download from SEC's website at www.adviserinfo.sec.gov.

Item 3 Table of Contents

Item 1 Cover Page.....	1
Item 2 Material Changes	1
Item 3 Table of Contents.....	2
Item 4 Advisory Business.....	3
Item 5 Fees and Compensation.....	4
Item 6 Performance-Based Fees and Side-By-Side Management.....	8
Item 7 Types of Clients	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 Disciplinary Information.....	12
Item 10 Other Financial Industry Activities and Affiliations.....	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12 Brokerage Practices	14
Item 13 Review of Accounts	15
Item 14 Client Referrals and Other Compensation	16
Item 15 Custody	16
Item 16 Investment Discretion.....	16
Item 17 Voting Client Securities	17
Item 18 Financial Information.....	17

Item 4 Advisory Business

A. Principal Owners and Background

McElhenny Sheffield Capital Management, LLC (“**MSCM**” or “**Adviser**”), a Texas limited liability company, is majority owned and controlled by its founder, Bruce M. Fraser Jr. and his family. Mr. Fraser (the “**Principal**”) is the managing member of MSCM. MSCM was founded by Mr. Fraser in 2000 and has its principal place of business in Dallas, Texas. Additionally, Carl Dorvil owns a minority stake in the Adviser. Additional information relating to MSCM’s ownership can be found on Schedule A of MSCM’s Form ADV Part 1.

B. Types of Advisory Services

The Adviser currently provides investment management services primarily through separately managed accounts (the “**Accounts**”) for individuals, high net worth individuals, businesses and other institutions or entities, including as a sub-adviser to other investment advisers (collectively the “**Clients**”). MSCM generally provides tactical exchange-traded fund (“**ETF**”) strategies based on a rules-based process managed by MSCM in the following styles: trend following, momentum, or a blend of trend following and momentum. Trend following seeks to participate in market upside while avoiding market downside. Momentum investing seeks to capitalize on sectors and market segments with strong momentum while avoiding markets that exhibit weakness. MSCM also provides other investment advisory services providing investment advice on equities, debt, options, futures, ETFs and mutual funds for Client Accounts.

MSCM is the discretionary sub-adviser of the actively managed McElhenny Sheffield Managed Risk ETF (“**MSMR Fund**” or “**Fund**”), an ETF organized to invest in shares of other ETFs (“**Underlying Investments**”) that reflect MSCM’s trend following and momentum strategies. MSCM will generally allocate approximately 50% of the Fund’s assets to its Trend Plus and Sector Rotation strategies, although such allocations could potentially vary over time in response to market movements. Please see the Fund’s Prospectus and Statement of Additional Information (“**SAI**”) for additional information about the investment strategy and disclosures relating to the fund. Prior to making any investment in the Fund, clients should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment. Because investments in the Fund involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the Client's stated investment objectives, tolerance for risk, liquidity, and suitability.

Additionally, the Adviser provides financial planning services for Clients. Clients purchasing this service will receive a written or an electronic report, providing the client with a financial plan designed to achieve their stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern. The Client and Adviser will work together to select the specific areas to cover. These areas could potentially include, but are not limited to, the following: business planning, cash flow & debt management, college savings, employee benefits optimization, estate planning, retirement planning and investment analysis.

C. Tailoring of Advisory Services

The investment strategy of each Account is tailored to the objectives of the respective Client. Pursuant to the respective investment management agreements between the Adviser and the Clients (“IMA”), the Adviser has investment discretion with respect to the Client Accounts. However, such discretion is limited based on the particular investment objectives, preferences, guidelines and restrictions outlined in each Client’s Investment Management Agreement.

With respect to the financial planning services, specific Client financial plans and their implementation are dependent upon the Client Investment Policy Statement which outlines each Client’s current situation (income, tax levels and risk tolerance levels) and is used to construct a Client-specific plan to aid in the selection of a portfolio that matches restrictions, needs and targets.

D. Wrap Fee Programs

The Adviser does not participate in wrap fee programs.

E. Assets Under Management

As of September 30, 2023, the Adviser had \$400.7 million in assets under management representing \$384 million in regulatory assets under management managed on a discretionary basis, subject to limitations set forth in each Client’s IMA, and \$16.7 million of assets managed for model portfolios that are not included in regulatory assets under management. The Adviser does not currently manage assets on a nondiscretionary basis.

Item 5 Fees and Compensation

A. Our Compensation

1. Management Fee

Our standard IMA provides for a management fee (“**Management Fee**”) of up to 2% per annum of the value of the account subject to the IMA (the “**Client Account**”). One-twelfth (1/12) of the annual Management Fee will be debited against each Client Account at the beginning of each month. The Adviser, in its sole discretion, reduces or waives all or any part of the Management Fee and certain Clients do not pay a separate asset management fee for Client Accounts investing in the Fund. Management Fees are negotiable.

When MSCM acts as an investment adviser, MSCM is required to act in the Client’s best interest and not put its interests ahead of Clients. At the same time, the way MSCM makes money creates some conflicts with Client interests. Here are some examples:

- MSCM has an incentive to increase the assets in Client Accounts to increase fees. MSCM charges asset-based fees and therefore makes more money when there is an increase in the assets in Client Accounts. Therefore, MSCM has an incentive to recommend increasing the assets in Client Accounts. MSCM’s financial professionals earn compensation based upon a portion of the revenue MSCM earns from Client Accounts for providing Clients with advisory

services. As a result, MSCM's financial professionals have a financial incentive to not reduce fees.

- Clients pay MSCM's fee monthly even if there is limited or no investment activity in the Client Account. Clients pay fees and costs whether Clients make or lose money on their investments. Fees and costs will reduce any amount of money Clients make on their investments over time.
- MSCM has an incentive to recommend margin accounts to permit borrowing money for a Client Account. Additionally, for margin loans, the purchase of securities in the account will result in increased asset-based fees, which provides an incentive for MSCM to recommend the use of margin.
- MSCM earns higher management fees when MSCM invests Client Accounts in the Fund. The receipt of additional compensation from the Fund provides an incentive for MSCM to invest client assets in the Fund. The fees charged for financial advisory services, together with fees paid to MSCM indirectly through the Fund, could be higher than the fees charged by other investment advisers for similar investment advisory services. Clients could independently and directly invest in the Fund through other financial services firms/broker- dealers.

2. MSMR Fund Sub-Advisory Fee

As sub-adviser to the Fund, MSCM is paid a fee by the adviser of the Fund, which is calculated daily and paid monthly, at an annual rate based on the average daily net assets of the Fund of 0.74% for the first six months of the Fund's operations, 0.69% for the next six months of the Fund's operations, and 0.64% after the first year of the Fund's operations. MSCM's portfolio managers of the Fund each receive a fixed base salary and bonus from MSCM based on the size of the Fund. No payment or portfolio manager compensation formulas are tied to the Fund's performance. The portfolio managers are not entitled to any deferred benefits. Such fees are disclosed in the Fund prospectus.

Under normal circumstances and in accordance with the client's established Investment Plan and risk tolerance MSCM will recommend investments that include the Fund. Clients investing in the Fund will be subject to both the Fund's management fees (a portion of which are payable to MSCM portfolio managers, as sub-adviser to the Fund) and MSCM's Management Fee. The receipt of additional compensation from the Fund provides an incentive for MSCM to invest client assets in the Fund. This conflict of interest is disclosed to clients in this Form ADV and also in the client Investment Management Agreement which is signed by the client at the outset of a working relationship. The fees charged for portfolio management services, together with fees paid to MSCM indirectly through the Fund, can be higher than the fees charged by other investment advisers for similar investment advisory services. Clients can also independently invest in Fund shares through other financial services firms/broker- dealers.

3. Performance Fee

For certain qualified Clients for which the Adviser manages the entire investment account in our Trend X strategy, the Adviser will charge a quarterly performance fee, subject to a high-water mark.

With respect to such Clients, performance fees will be up to 20% based on the net profits generated in the Client's portfolio during the quarter (subject to the aforementioned high-water mark).

The Adviser, in its sole discretion, reduces or waives all or any part of the performance fee. Performance fees are negotiable based on the strategy. Clients will only be charged a performance fee if they meet the definition of "qualified client" as defined in Rule 205-3 under the Investment Advisers Act of 1940. Performance fees payable to Adviser, if any, will be debited against each Client Account at the beginning of each quarter.

4. Financial Planning Services Fee

Financial Planning will generally be offered on either a fixed-fee basis or on an hourly basis at an approximate rate of \$250 per hour, depending on the nature of the specified services. Fees will be determined on a case- by- case basis with the fee based on the complexity of the situation and the needs of the client. The fixed fee will be up to \$5,000. The fixed fee or hourly rate will be agreed upon before the start of any work. Financial planning fees are negotiable.

B. How Fees Are Collected

The Adviser will direct the custodian of each Client Account (the "Custodian"), with the authorization of the Client, to withdraw funds to pay the Adviser's management and performance fees. One-twelfth (1/12) of the annual Management Fee will be debited against each Client Account at the beginning of each month. The performance fees payable to Adviser, if any, will be debited against each Client Account at the beginning of each quarter.

With respect to any Clients for whom the Adviser currently provides investment management services, the Adviser will direct the Custodian of each Client Account, with the authorization of the Client, to withdraw funds to pay the Adviser's financial planning fees. With respect to any Clients for whom the Adviser does not currently provide investment management services, the Client will pay the Adviser via check.

C. Other Fees or Expenses

Client Accounts will bear their own expenses, including but not limited to, transaction, exchange, wire transfer, and margin interest expenses. Clients will pay transaction fees, and other transaction-related third-party costs and expenses incurred in the management of Client assets. By way of example, these costs include charges imposed by Custodians, and others, such as custodial fees, deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on custodial brokerage accounts and securities transactions. Some investments (such as mutual funds, ETFs, and variable annuities) impose additional fees that will reduce the value of a Client's investment over time. Client investment in ETFs and other investment vehicles, including the Fund, will generally be subject to both the investment vehicles' management fees (with respect to the Fund, a portion of which are payable to MSCM, as sub-adviser) and MSCM's management fee. The Adviser, in its sole discretion, reduces or waives all or any part of the Management Fee and certain Clients do not pay a separate asset management fee for investment in the Fund.

D. Advance Payment

Management Fees are payable in advance. If a Client terminates the advisory contract prior to the end of the billing period, the Adviser will refund any prepaid fee on a prorated basis. The amount of the refund will be calculated using the value of the Client's investment on the last trading day of the prior billing period.

E. Compensation for Sales of Securities

Neither MSCM nor any of its officers, Members, employees, and investment adviser representatives as well as to any other person who provides investment advice on behalf of the Adviser and who is subject to the Adviser's supervision and control ("**Supervised Persons**") accept compensation for the sale of securities or other investment products. Clients can also independently invest in Fund shares through other financial services firms/broker- dealers.

F. Retirement Accounts – DOL Disclosure

We are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") and/or the Internal Revenue Code ("Code"), as applicable, when we provide investment advice regarding portfolio assets held in an IRA, Roth IRA, Archer Medical Savings Account, a Plan covered by ERISA, or a plan described in Section 4975(e)(1)(A) of the Code (collectively referred to collectively sometimes herein as ("Retirement Accounts")).

To ensure that MSCM will adhere to fiduciary norms and basic standards of fair dealing, we are required to give advice that is in the "best interest" of the retirement client. The best interest standard has two chief components, prudence and loyalty. Under the prudence standard, the advice must meet a professional standard of care and under the loyalty standard, our advice must be based on the interests of our retirement clients, rather than the potential competing financial interest of MSCM.

To address the conflicts of interest with respect to our compensation, we are required to act in your best interest and not put our interest ahead of yours. To this end, 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.

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

As explained above, the Adviser charges performance-based fees with respect to certain strategies for certain qualified Clients. The Adviser manages both accounts that are charged a performance fee and accounts that are not charged a performance fee. The Adviser has an incentive to favor accounts that are charged a performance fee; however, the Adviser believes this does not create a conflict of interest because accounts that are charged a performance fee are not using the same strategy (“side-by-side management”) as those that are not charged a performance fee. Charging a performance fee creates an incentive for the Adviser to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Account. We do not provide side-by-side management services.

Item 7 Types of Clients

MSCM provides investment management services to individuals, high net worth individuals, businesses and other institutions or entities, including retirement plans such as individual retirement accounts, primarily through separately managed accounts over which MSCM has discretion. There are no material limitations and no minimum requirements for Clients to open an account or establish an advisory relationship. The Adviser also serves as a sub-adviser to other investment advisers. Clients include individuals, high net worth individuals, corporations and other businesses, trusts, or other entities. The Accounts will be managed in accordance with the investment objectives, guidelines, restrictions and other information provided by the Client to the Adviser in the Suitability Questionnaire, which is included in the IMA. MSCM, in its sole discretion, manages Client Accounts with different objectives, higher or lower fees and different fee structures than what is described in this brochure. The Adviser also provides financial planning services for its Clients. Clients are required to complete and submit an investment management agreement and suitability questionnaire.

MSCM charges certain qualified Clients a performance fee with respect to certain strategies, such as MSCM’s covered call program for concentrated position management. However, to comply with SEC Rule 205-3, MSCM will only charge a performance fee to “qualified clients.”

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

A. Analysis and Strategies

MSCM provides investment advisory services to the Accounts based on the investment objectives, guidelines, restrictions and other information provided by Client.

The overall objective in managing the Accounts is to seek to achieve capital appreciation by investing in and trading securities consisting of equity and equity related securities that are publicly traded on U.S. exchanges. MSCM will invest its Client’s Accounts in a wide range of securities and other financial instruments including, but not limited to, exchange listed and over the-counter equity securities, preferred stocks, convertible securities, exchange-traded funds, warrants, rights, options, corporate and municipal debt securities and U.S. government securities. Accounts managed by MSCM own long positions and potentially sell short positions.

The Adviser uses a variety of methods for analyzing and designing Client portfolios including fundamental analysis and standard risk assessment tools. The sources used for financial analysis and research include financial publications, prospectuses, annual reports and internet data sources.

B. Material Risks

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

All investments in securities include a risk of loss of a Client's principal investment as well as any previously realized or unrealized profits. Stock and bond markets fluctuate substantially over time. In addition to market risk, certain other risk factors potentially affect the performance of the Clients Account over time, including interest rate risk, inflation risk, currency risk, liquidity risk and sociopolitical risk, among others. The various risks summarized below are not the only risks associated with the Adviser's investment strategies and processes. Clients are urged to consult with independent financial, legal and tax advisors. Certain of the risks are summarized as follows:

Potential Loss of Investment. Any investment in securities involves risk. There can be no assurance that the Adviser's strategy will achieve the Client's investment objectives or that Clients will not lose all or substantially all of their investment.

Macroeconomic Risks: Fluctuations in interest rates could cause investment prices to fluctuate. The inflation rate could increase, causing a decrease in purchasing power. Returns will be affected by general economic and market conditions such as economic uncertainty, commodity prices, currency rates, changes in credit availability, and changes in laws and many others.

Derivatives: Credit default swaps and similar derivative instruments used for hedging purposes present risks that are different from traditional securities. There is a risk that the derivative will not correlate well to the security it is hedging. Further, it could be difficult to unwind derivative positions due to illiquidity in the markets.

Sociopolitical Risks: Natural disasters (such as earthquakes or weather), acts of war, terrorism and armed conflicts could negatively impact portfolio and asset values.

Market Risks in General: The Adviser's strategies are subject to market risk, including, but not limited to, changes in the regulatory environment, "flights to quality" and "credit squeezes." The particular or general types of market conditions in which losses could be incurred or unexpected performance volatility could be experienced cannot be predicted, and the Adviser's strategies could materially underperform other investment funds or accounts with substantially similar investment objectives and approaches.

Cyber Security Breaches and Identity Theft: Information and technology systems of the Adviser, portfolio companies in which the Accounts are invested and the Adviser's service providers could be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, the

Adviser, a portfolio company in which the Accounts are invested and/or a service provider could have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser, a portfolio company in which an Account is invested and/or a service provider's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the Adviser's, a portfolio company's (in which the Accounts are invested) or a service provider's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

Discretion; Investment Judgment. The Adviser has broad discretion with respect to the investment program of the Client Accounts the Adviser manages, which involves assets that will be affected by various business, financial market, or legal uncertainties. Profitability depends to a great extent upon correctly evaluating these uncertainties in order to assess the future course of the price movements of securities and other investments. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value or return on investments. In addition, changing market and economic conditions could lead to investor losses.

Diversification: Certain portfolios held by Client Accounts are not necessarily widely diversified. Thus, a Client's Account could be subject to more rapid changes in value than would be the case if the account were required to maintain a wide diversification among companies, securities and types of securities. This limited diversity could expose a Client's Account to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in the Client's investments.

Competition. The investment management industry, in general, and the markets in which the Adviser trades are extremely competitive. In pursuing its trading methods and strategies, the Adviser will compete with investment firms, including many of the larger investment advisory and private investment firms, as well as institutional investors and, in certain circumstances, market makers, banks and broker-dealers. As a result of such competition, market opportunities in which the Adviser's investment strategy seeks to capitalize could be short-lived or disappear and profit potential could be materially reduced. There can be no assurance that the Adviser will be able to find suitable opportunities consistent with its investment approach.

Investment Due Diligence and Research; Reliance on Corporate Management and Financial Reporting. In certain instances, due diligence information available to the Adviser at the time of an investment decision is limited, and the Adviser could have neither access to adequately granular information nor adequate time to analyze the information necessary for a complete evaluation of the investment opportunity. It is also possible that the due diligence and research conducted does not reveal all the relevant facts and information that are necessary to evaluate such investment opportunity. In the worst-case scenario, information could be manipulated or fraudulent. The Client accounts could incur material losses as a result of the misconduct or incompetence of such individuals and/or a substantial inaccuracy in such information.

Reliance on Key Persons. The Client accounts are substantially dependent on the services of the Principal. In the event of the death, disability, departure or insolvency of the Principal or the

complete transfer of his interest in the Adviser, the management of the Client accounts could be adversely affected.

Margin. When Clients invest on margin, Clients are borrowing money from their Custodian to buy stocks and use their investment as collateral. This allows Clients to increase their purchasing power and own more stock without fully paying for it. However, it also exposes Clients to the potential for higher losses. In volatile markets, Client who put up an initial margin payment for a stock may, from time-to-time, be required to provide additional cash if the price of the stock falls. Margin accounts can be very risky and they are not suitable for everyone. Before opening a margin account, Clients should fully understand that: (1) Clients can lose more money than the Client has invested, (2) Clients potentially will have to deposit additional cash or securities in their Account on short notice to cover market losses, (3) Clients could be forced to sell some or all of their securities when falling stock prices reduce the value of their securities and (4) the Client's Custodian could potentially sell some or all of the Client's securities without consulting the Client to pay off the loan it made to the Client.

ETF Risks.

Authorized Participants, Market Makers, and Liquidity Providers Concentration Risk. The Fund has a limited number of financial institutions that act as Authorized Participants ("APs"). In addition, there could be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares could trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

Costs of Buying or Selling Shares. Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of Shares could significantly reduce investment results and an investment in Shares could not be advisable for investors who anticipate regularly making small investments.

Shares Could Trade at Prices Other Than NAV. As with all ETFs, Shares can be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares will approximate the Fund's NAV, there could be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts could be significant.

Trading. Although Shares are listed for trading on Cboe BZX, Inc. (the "Exchange") and could be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares could begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares, and this could lead to differences between the market price of the Shares and the underlying value of those Shares.

Item 9 Disciplinary Information

On September 11, 2023, the SEC offered, and MSCM agreed to accept, a settlement relating to alleged violations of Section 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-1(d) thereunder. The SEC alleged that MSCM advertised hypothetical performance on MSCM's public website without adopting and implementing policies and procedures reasonably designed to ensure that hypothetical performance was relevant to the likely financial situation and investment objectives of the intended audience. As part of MSCM's settlement with the SEC, MSCM, without admitting or denying the SEC's findings, agreed to pay a civil monetary penalty and evaluate, update, and review MSCM's applicable policies and procedures concerning advertisements that include hypothetical performance. MSCM also proactively engaged a new compliance consultant to conduct an independent compliance program review and provide ongoing consulting support to ensure that MSCM is in full compliance with regulatory requirements.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration

Neither MSCM nor the Principal is registered as broker-dealer or registered representative of a broker-dealer, nor does it have any pending application to register.

B. Futures and Commodities Registration

Neither MSCM nor the Principal is registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated party of any of those, nor does it have any pending application to register as such.

C. Affiliates

MSCM is affiliated with Elkhorn Capital Partners, LLC ("***Elkhorn***"), that is a sponsor and manager of real estate investments that are not organized as private funds. As Elkhorn is not providing advice on securities or private funds, Elkhorn is not a registered investment adviser. Elkhorn is wholly owned by the Principal and is only open to certain accredited investors. Although Elkhorn is in the business of investing in real estate and MSCM is in the business of investing in securities, certain conflicts could arise between Elkhorn and MSCM concerning the allocation of time and effort on the part certain Supervised Persons between Elkhorn and MSCM. The Principal has a material financial interest in Elkhorn and dedicates a significant portion of his business time to Elkhorn. Certain other Supervised Persons are involved in the operations of Elkhorn to a limited extent. The Principal ensures that appropriate resources are dedicated to MSCM at all times. Clients could potentially invest in real estate partnerships sponsored by Elkhorn, however, neither MSCM nor any of its Supervised Persons actively solicit or refer Clients to invest in Elkhorn. See Item 11 for additional information.

D. Conflicts of Interest

MSCM is not compensated for recommending or selecting other investment advisers for its clients. MSCM also has no other business relationships with any advisers that create any material conflict of interest.

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

A. Code of Ethics and Personal Trading Policy

MSCM has adopted a code of ethics and personal trading policy (“**Code of Ethics**”) that complies with SEC Rule 204A-1 and applies to all of its Supervised Persons. MSCM prohibits our Supervised Persons from using or attempting to use their position at MSCM to obtain improper benefits for themselves or any other person.

MSCM’s Code of Ethics permits its Supervised Persons to invest for their personal accounts, subject to certain guidelines and restrictions. Personal securities transactions by Supervised Persons must be conducted in accordance with the requirements of MSCM’s Code of Ethics. Among other things, MSCM’s policies require that certain personal securities transactions by Supervised Persons be approved in advance by MSCM’s compliance department. Supervised Persons must report certain personal securities holdings upon employment and periodically thereafter and arrange for certain duplicate confirmations and account statements to be sent to MSCM’s compliance department. MSCM’s Code of Ethics prohibits Supervised Persons from trading while in possession of information concerning trades for Client Accounts, also called “front-running.”

MSCM has also adopted policies and procedures designed to prevent Supervised Persons from being unduly influenced in their decisions by receipt of gifts, entertainment or other inducements by third parties, such as trading counterparties, vendors or investors. MSCM will provide a copy of its Code of Ethics to any investor or prospective investor upon request.

B. Affiliated and Outside Business Activities

MSCM Supervised Persons are required to disclose any outside business activities that could create a potential conflict of interest between the Supervised Person’s interests and those of MSCM’s Clients. As discussed above, MSCM will recommend investments that include the Fund for which MSCM serves as sub-adviser. Clients investing in the Fund will be subject to both the Fund’s management fees (a portion of which are payable to MSCM portfolio managers, as sub-adviser to the Fund) and MSCM’s Management Fee. The receipt of additional compensation from the Fund provides an incentive for MSCM to invest client assets in the Fund. This potential conflict of interest is disclosed to clients in this Form ADV and also in the client Investment Management Agreement which is signed by the client at the outset of a working relationship.

The Principal has a material financial interest in Elkhorn, which sponsors and manages real estate investments, however, the Principal does not dedicate a material amount of his business time to Elkhorn, and neither MSCM nor its related persons solicit or refer Clients to invest in real estate sponsored by Elkhorn.

C. Personal Trading

By reason of MSCM’s or its Supervised Persons’ business or investment activities, Supervised Persons acquire confidential information, and, in such event, MSCM and the Supervised Persons

will be restricted, as appropriate, from acting upon such confidential information for personal gain. As noted above, to manage potential conflicts of interest, MSCM's Code of Ethics requires that certain personal securities transactions by Supervised Persons be approved in advance by MSCM's compliance department.

D. Participation or Interest in Client Transactions and Personal Trading

Subject to MSCM's Code of Ethics, Supervised Persons are permitted trade for their own accounts in securities that are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our Supervised Persons will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing Supervised Persons to invest for their own accounts.

Item 12 Brokerage Practices

A. Selecting and Recommending Broker-Dealers

MSCM is authorized to make the following determinations in accordance with each Client's objectives and restrictions without obtaining prior consent from the Client: (1) which securities or instruments to buy or sell; (2) the total amount of securities or instruments to buy or sell; and (3) the executing broker or dealer for any transaction.

MSCM typically recommends to clients that they establish their securities account(s) ("**Securities Accounts**") with Charles Schwab ("**Schwab**") or through the Raymond James & Associates, Inc., member New York Stock Exchange / SIPC ("**RJA**"). MSCM recommends these qualified Custodians based on reputation, financial strength and stability, and the efficiency of execution provided by their affiliated broker dealers. MSCM believes that using a broker-dealer affiliated with these Custodians allows for MSCM to achieve best execution for its Clients, but there is no guarantee that this results in the lowest cost.

In choosing these broker dealers to execute trades, MSCM generally considers a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future and other matters involved in the receipt of brokerage services generally.

MSCM is not affiliated with Schwab or RJA. Schwab and RJA offer various services to MSCM, which include custody of securities, trade execution and clearance and settlement of transactions. MSCM receives some benefits from Schwab or RJA, which benefits MSCM and some or all Clients of MSCM. MSCM has an incentive to trade with these broker dealers due to the services they provide MSCM.

1. Research and Other Soft Dollar Benefits

Custodians provide MSCM, without cost, software and support which allows MSCM to better monitor and service client accounts, including assistance with invoicing, trade execution and recordkeeping. Custodians provide services to MSCM, including research, execution, brokerage,

custody and access to ETFs, mutual funds and other investments. Additionally, other services provided assist MSCM in managing and administering Client Accounts. These services are provided based in part on the assets held by the respective Custodians, and as such, create an incentive for MSCM to direct Clients to their custodial platforms.

MSCM has an incentive to recommend these Custodians due to the services they provide MSCM. Beyond those services, MSCM does not currently receive or anticipate receiving research or other soft dollar benefits from brokers or third parties in connection with Client securities transactions. To the extent MSCM receives other “soft dollar” benefits, it will only do so within the Section 28(e) safe harbor provided by the Investment Advisers Act of 1940.

2. Brokerage for Client Referrals

MSCM does not receive client referrals from a broker-dealer or third party. Thus, MSCM does not have an incentive to select or recommend a broker-dealer based upon its interest in receiving client referrals. Instead, MSCM will recommend a broker-dealer based upon its Clients’ interest in receiving the most favorable execution as well as other factors.

3. Directed Brokerage

MSCM does not permit Clients to direct brokerage away from their Account.

B. Aggregation of Orders

When possible, MSCM will aggregate the purchase or sale of securities for various Client Accounts. When trades are aggregated, the average execution price will be applied to each participating Client Account. Additionally, this aggregation should lead to lower transactional costs, thereby saving the Clients money.

Item 13 Review of Accounts

A. Review of Client Accounts

The Supervised Person responsible for managing a Client Account will conduct reviews on a periodic basis to ensure that the Account is being managed in alignment with the investment mandate. The Principal or another management person of the Adviser will periodically review the Client Accounts for risk, performance, and suitability.

B. Frequency of Review

The Supervised Person responsible for managing a Client Account will generally conduct reviews on a quarterly basis. Oversight reviews are generally conducted on an annual basis.

C. Content and Frequency of Regular Reports

The Custodian of the Accounts will provide the Clients with monthly unaudited performance information.

Item 14 Client Referrals and Other Compensation

A. Other Compensation

No person, other than each Client, provides an economic benefit to MSCM in exchange for providing investment advice or other advisory services to such Client.

B. Third-Party Solicitors

MSCM has not entered nor does it plan on entering into any agreement with a solicitor that provides for compensation to be paid to such solicitor for referring Clients to MSCM.

Item 15 Custody

MSCM is deemed to have custody of Client Accounts because MSCM is authorized to direct the Custodian of the Account to withdraw funds to pay MSCM's fees. All Client funds and securities are maintained with a qualified Custodian. MSCM participates in the Schwab and RJA platforms and typically recommends to Clients that they establish their brokerage account(s) at Schwab Institutional or a broker-dealer affiliated with RJA. Schwab and RJA are independent and unaffiliated SEC-registered broker-dealers and FINRA members. Schwab and RJA offer various services to independent investment advisers, which includes custody of securities, trade execution and clearance and settlement of transactions.

The assets of each Client Account shall be held by the broker-dealer or other entity designated and appointed by Client as Custodian of the Account pursuant to a custody or account agreement that is mutually acceptable to Adviser and Client. The Custodian shall at all times be responsible for the physical custody of the assets of the Account; for the collection of interest, dividends and other income attributable to the assets of the Account; and for the exercise of rights and tenders on assets of the Account. Adviser shall not be responsible for any loss incurred by reason of any act or omission of the Custodian. Adviser issues such instructions to the Custodian as appropriate in connection with the settlement of transactions initiated by Adviser.

Clients will receive brokerage statements no less than quarterly from the Custodian of their Accounts, Schwab or RJA. Clients should carefully review those statements and, if applicable, compare those statements to any statements or reports you receive from us.

Item 16 Investment Discretion

Subject to any limitations set forth in the IMA and only during the term of IMA, MSCM shall have full discretionary power and authority, without prior consultation with or notification of Client, to buy, sell (including short sales), exchange, convert and otherwise trade in securities of every kind and nature, including, without limitation, equities, bonds, notes, debentures, trust receipts, financial futures contracts, over-the-counter derivative instruments, commodities, commodities futures, exchange traded funds, securities of foreign issues (including American Depositary Receipts) and other securities of whatever kind or nature of any person, corporation, government or entity, whether readily marketable or not, and rights and options relating thereto, including put and call

options written by the Account or by others, on margin or otherwise, for such prices and on such terms as MSCM, in its sole discretion, deems advisable and in the best interests of Client.

Client shall furnish Adviser with all additional powers of attorney and other documentation, if any, necessary to appoint Adviser as agent and attorney-in-fact with respect to the Account, but such powers shall not be construed to authorize Adviser to take any action not authorized by this Agreement. Notwithstanding the foregoing, Adviser is NOT granted the power or authority to (i) buy, sell, exchange, convert or otherwise trade investment instruments in any other account of Client, (ii) buy, sell, exchange, convert or otherwise trade investment instruments in the Account other than as provided in this Agreement or (iii) transfer any funds or investment instruments from the Account to any other account.

Item 17 Voting Client Securities

MSCM does not have any authority to, and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. To this end, MSCM will instruct the Custodian to forward all proxy material directly to the Client. MSCM shall forward any proxy materials it receives that pertain to the assets in client accounts to the respective Clients, or to the adviser(s) for an employee benefit plan covered by ERISA. Clients can contact MSCM at 214-922-9200 with any questions.

Item 18 Financial Information

A. Prepayment of Fees

MSCM does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

B. Potential Financial Impairment

There is currently no financial condition which is reasonably likely to impair MSCM's ability to meet its contractual commitments or to provide advisory services to its Clients.

C. Bankruptcy

MSCM has never been the subject of a bankruptcy petition.