



## **Asset Allocation Managed Portfolios Wrap Fee Program Brochure Form ADV Part 2A, Appendix 1**

March 28, 2024

### **ITEM 1 – COVER PAGE**

This Asset Allocation Managed Portfolios (“AAMP”) Wrap Fee Program Brochure provides information about the qualifications and business practices of Copper Financial Network, LLC (“Copper Financial”). If you have any questions about the contents of this Brochure, please contact us at 913.905.3600 or [investments@cu.financial](mailto:investments@cu.financial).

Copper Financial is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. Additional information about Copper Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

**Non-Deposit Investment Products offered through Copper Financial are not credit union deposits or obligations, are not NCUA or otherwise federally insured, are not credit union guaranteed, and may involve investment risk including possible loss of principal.**

More information about Copper Financial can be found at <https://cu.financial/>.

## ITEM 2 - MATERIAL CHANGES

Copper Financial (“we” or “us”) is required to discuss only material changes that have occurred since the last annual AAMP Wrap Fee Program Brochure update. This AAMP Wrap Fee Program Brochure was last updated March 31, 2023. There were no material changes to our AAMP Wrap Fee Program Brochure since the last update.

Other edits not deemed material may have been made during our review and update of this Wrap Fee Program Brochure dated March 28, 2024 to clarify existing information provided.

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## ITEM 4 – SERVICES, FEES AND COMPENSATION

### GENERAL INFORMATION

Copper Financial Network, LLC (referred to as “Copper Financial”, “we” or “us”) is a broker-dealer registered with the SEC and a member of FINRA and a federally registered investment adviser. We offer financial planning and investment advisory services to you through our registered Investment Advisor Representatives (“Advisor”).

Copper Financial is a Missouri limited liability company and is a wholly owned subsidiary of CommunityAmerica CUSO One, LLC (“CUSO One”). CUSO One is wholly owned by CommunityAmerica Credit Union (“CommunityAmerica”), a privately held organization.

Our Advisors primarily work with members of credit unions. This includes members of CommunityAmerica, our parent company, as well as members of credit unions with which we have entered into a bank networking agreement to provide investment services to their members (“Program Credit Union”). See Item 9 for additional information.

Copper Financial sponsors a wrap fee program known as Asset Allocation Managed Portfolios (“AAMP”) as described in this AAMP Wrap Fee Program Brochure.

Copper Financial offers additional advisory programs and services in addition to AAMP. Your Advisor can provide you information related to these additional programs and services not discussed in this Brochure or you can access the Advisory Brochures section of Copper Financial’s website at <https://cu.financial/disclosures/>.

Copper Financial and our representatives do not provide tax or legal advice. You should consult a tax professional to understand the tax consequences of investing in an AAMP account.

### WORKING WITH YOUR ADVISOR

Your Advisor can offer both investment advisory services and products and brokerage services and products. There are important considerations when selecting the services and products best suited to your investment needs and goals, including, but not limited to your unique financial situation, investment objective, risk tolerance and investment time frame.

**Advisory Relationship** – As a federally registered investment adviser, we and our Advisors are fiduciaries to you. This means that we and your Advisor must act solely in your best interest when offering you investment advisory services and products. Generally, fees we charge for investment advisory services and products are either hourly or asset based as described in this Wrap Fee Program Brochure and our Firm Brochure.

**Brokerage Relationship** – As a broker-dealer, we and our financial professionals must ensure that the brokerage products and services we recommend are in your best interest based on your stated investment objective, risk tolerance, tax status and other personal financial information you provide. Generally, you will pay commissions to purchase and sell brokerage products. See the Regulation Best Interest Disclosure at <https://cu.financial/disclosures/> for additional information on fees charged on brokerage accounts. For brokerage accounts held at our clearing firm, Apex Clearing, you will also be subject to account maintenance and servicing fees as outlined in the Brokerage Fee Schedule maintained at <https://cu.financial/disclosures/>.

## Factors to Consider When Deciding Between Investment Advisory and Brokerage Relationship:

### Advisory Relationship

- Seek ongoing advice and monitoring on your account.
- Prefer to pay ongoing fees based on assets under management rather than based on the number of transactions.
- Seek a fiduciary relationship with an Advisor who must act in your best interest.
- Periodic portfolio rebalancing.

### Brokerage Relationship

- Seek advice only on individual transactions with no ongoing monitoring of your investments or enter orders without a recommendation from us.
- Prefer commission-based compensation paid on a per transaction basis.
- Seek a relationship with a financial professional who must make recommendations in your best interest.

## ASSET ALLOCATION MANAGED PORTFOLIOS (AAMP)

AAMP is an asset allocation program that offers a selection of strategic asset allocation models from which to choose. AAMP models (“Models”) are created by certain third-party investment advisors (“Strategists”) and invest in three general categories of securities (“Underlying Investments”): Mutual Funds, Exchange-Traded Funds (ETFs), and individual stocks. Custom Models that include both stocks and mutual funds are also available. Certain Models will include tax sensitive investments. If the assets in your AAMP account(s) constitute only a portion of your total assets, we will not be responsible for the proper diversification of those other assets.

This chart provides the current list of approved Strategists and the type of Models they manage:

| <b>Strategist</b>  | <b>Types of Models</b>  |
|--|---|
| Brinker Capital Investments, Inc. ( <i>Brinker</i> )               | <ul style="list-style-type: none"><li>• Mutual Fund</li></ul>                               |
| Clark Capital Management Group, Inc.* ( <i>Clark</i> )             | <ul style="list-style-type: none"><li>• Mutual Fund</li><li>• ETF</li></ul>                 |
| BlackRock, Inc. ( <i>BlackRock</i> )                               | <ul style="list-style-type: none"><li>• ETF</li></ul>                                       |
| Morningstar Investment Services, Inc.* ( <i>Morningstar</i> )      | <ul style="list-style-type: none"><li>• Mutual Fund</li><li>• ETF</li><li>• Stock</li></ul> |
| Goldman Sachs Asset Management, L.P. * ( <i>Goldman Sachs</i> )    | <ul style="list-style-type: none"><li>• ETF</li></ul>                                       |
| Capital Research and Management Company* ( <i>American Funds</i> ) | <ul style="list-style-type: none"><li>• Mutual Fund</li><li>• ETF</li></ul>                 |
| NASDAQ Dorsey Wright*  | <ul style="list-style-type: none"><li>• ETF</li><li>• Stock</li></ul>                       |

\*These models are assessed a strategist fee discussed in the AAMP Fee section below.

Certain Strategists offer Models focused on investing in companies that aim to meet Environmental, Social, and corporate Governance (“ESG”) standards. ESG Models are not available for all asset allocation levels. ESG criteria is a set of standards for a company’s operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company’s leadership, executive pay, audits, internal controls, and shareholder rights. See the discussion of ESG risk in Item 6 below for additional information.

You may impose reasonable restrictions on the management of your AAMP account by contacting your financial advisor. The decision as to whether an investment restriction is reasonable is solely that of Copper Financial. Copper Financial may, in its discretion, hold the amount that would have been invested in the restricted security in cash, invest in substitute securities, or invest it on a pro rata basis across the other securities in the Portfolio that are not restricted. Clients understand that the performance of an Account with restrictions will differ from, and may be worse than, the performance of an Account without restrictions. If Copper Financial cannot meet the request to impose reasonable restrictions on the account, you may choose not to open an account within the AAMP program.

## FEES

You will pay us fees for the Advisory Services we offer in our AAMP program.

The Advisor Fee portion of our AAMP fee is negotiable. The total AAMP fee may not exceed a maximum annual fee of 2.5% of assets under management in your AAMP account, including cash, money market, and bank sweep balances. The Advisor Fee of our asset-based fee is negotiable based upon several factors including, but not limited to, the value of the household assets you hold with us, your net worth, investable assets, income, current life stage, number and complexity of financial goals and the amount of time your Advisor anticipates they will spend with you to ensure your account is managed appropriately. The reasons for these variances include each client's unique, holistic situation and the time spent with the client and the client's other professional advisors. Our asset-based fee may vary between unrelated clients who have similar financial and personal situations and between the clients of different Advisors.

The fee is deducted monthly from your AAMP account and is calculated based on the average daily balance of the assets under management in your account. The asset-based fee will be applied to cash balances held in AAMP accounts. A portion of this fee is shared with your Advisor. If there is not sufficient cash in an account to pay the AAMP fee, we may at our sole discretion sell shares of the Underlying Investments in amounts necessary to raise sufficient cash to pay the asset-based fee.

The asset-based fee is comprised of a program fee, an advisor fee, and in certain circumstances an additional strategist fee and is applied to cash balances held in AAMP accounts.

Fees will begin accruing in your AAMP account on the first day we begin trading in your AAMP account. For accounts funded with cash, this is the first day purchase transactions occur in your account. For accounts funded with exchange-listed securities (such as stocks and ETFs), this is on the first day the exchange-listed securities you transfer into your account are sold and the Underlying Investments selected by the Strategists are purchased. For accounts funded with mutual funds or bonds, this is the day the mutual funds or bonds you transfer into your account are sold, which is the day before we purchase the Underlying Investments selected by the Strategists.

At the time your AAMP account is closed or the AAMP Agreement is terminated a final asset-based fee calculated as described above will be deducted by us. Your account will also be charged any then applicable account closing or transfer fees as described in our Brokerage Fee Schedule posted on our website.

Your Advisor will receive compensation for recommending the AAMP program to you, and this compensation may be more than your Advisor would receive if you paid separately for investment advice, brokerage services, and other services. Your Advisor may have a financial incentive to recommend AAMP over other services we offer.

### *Program Fee*

The program fee will cover, among other things, commissions, mark ups or mark downs incurred by effecting transactions in your account, clearing, custody and account related costs, platform technology fees, accounting fees, Strategists costs, supervisory review of your account, and ongoing monitoring of and changes to Portfolios.

The program fee is 0.15% and is not a negotiable fee. If your AAMP account was opened prior to July 1, 2020, it may have a lower program fee, which will increase to .15% if you change the Strategist, Model, or have any other change in your asset-based fee. At our sole discretion, we may waive the increase of the program fee due to any such changes. At our sole discretion, we may change the program fee. You will receive written notice of any increase in the program 30 days in advance of the change becoming effective.

### *Strategist Fee*

The strategist fee covers one or both of the following: 1) compensates the Strategists for, among other things, constructing the Models, selecting the Underlying Investments that populate each Model, ongoing monitoring of the Models and communication with us regarding changes in allocations to the Underlying Investments or 2) compensates an unaffiliated third-party vendor that provides the technology and platform to Copper Financial to support the administration of the AAMP program.

The strategist fee is not charged on every model. Some Strategists offer their Models to us free of charge regardless of the Underlying Investments. In some cases, Strategists limit the Underlying Investments in their Models to Underlying Investments that they either manage themselves or are managed by an affiliate of the Strategist. In models where the Strategist or an affiliate manages the Underlying Investments they are either Mutual Funds or ETFs and the Strategist or an affiliate is compensated for managing the Mutual Funds or ETFs through fees deducted from your Underlying Investments. In addition, the third-party vendor used by Copper Financial to administer the AAMP program does not charge a fee on each model available in AAMP.

The strategist fee is subject to change. You will receive written notice of any increase in the strategist fee 30 days prior to the change becoming effective.

### *Advisor Fee*

The advisor fee covers providing ongoing investment advice and management, attending meetings with you to review your account to ensure it is meeting your stated investment objectives and to review any necessary changes given any adjustments in those objectives, your investment time horizon and financial condition, and responding to your inquiries. The advisor fee is shared between us and your Advisor.

### *Fees not Covered*

Our fees do not include or cover transfer taxes, fees and or taxes assessed by state and federal governments or agencies thereof, fees related to electronic funds transfers and wire transfers. Refer to our Brokerage Fee Schedule at <https://cu.financial/disclosures/> for a list of account servicing and maintenance fees that will be charged to your account as applicable. We may receive a portion of the fees on the Brokerage Fee Schedule charged to your AAMP account.

The asset-based fee also does not cover the United States Securities Exchange Commission Section 31 fee ("SEC fee") and the FINRA Trading Activity Fee ("TAF"). You will be charged the mandatory SEC fee on the trades executed in your account. This fee is set by the SEC and subject to change. As of the date of this Brochure the SEC fee per transaction is \$8.00 per million dollars. See the [SEC website](#) for additional information regarding the fee and the current rates. The TAF is set by FINRA and subject to change. As of the date of this Brochure the TAF per transaction is \$0.000166 per share for each sale of a covered equity security, with a maximum charge of \$8.30 per trade. See the [FINRA website](#) for additional information regarding the fee and the current rates.

### *Performance-Based Fees*

We do not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client).

### *Fee Adjustments*

Provided the account continues to meet minimum account size requirements (See Item 5 below), a client may make additions to the account or withdrawals from the account. Because fees are based on an account's average daily balance, there are no fee adjustments required during a period for additional deposits, partial withdrawals, or for account appreciation or depreciation. If a client's account is closed, a final fee billing will be submitted to the Clearing Firm prior to the client's account being closed. If an account is closed prior to the deduction of the fees from the custodial account, Copper Financial may choose to invoice the client directly.

### *Other Fees*

In addition to the advisory fees described above, you will also incur certain fees charged by mutual fund companies and exchange-traded funds which are disclosed in the applicable prospectus. Examples of these fees include deferred sales charges, administrative expenses, internal management fees and other service fees. For more information about these fees please read the summary or full prospectus for each mutual fund and the disclosure document for ETFs. We and your Advisor do not receive a portion of these fees.

You may be able to obtain similar advisory services and Underlying Investments separately for a lower fee through a brokerage account or an advisory account with another investment adviser. Several factors determine whether it will cost more or less to participate in one of our AAMP accounts or another brokerage or investment advisory account where you purchase advice and Underlying Investments separately, including size of your account, the types of Underlying Investments in which you invest, the level of trading activity in your account, and whether the Underlying Investments involve internal or other expenses in addition to an investment advisory fee. You should consider these and other differences when deciding whether to invest through an investment advisory or a brokerage account. Nevertheless, cost is only one factor in determining which type of investment account is most appropriate for you. You should also consider your ability to access investment managers and Underlying Investments that are best suited to your personal and investment goals and risk tolerance.

## **CONFLICTS**

We and our Advisors earn compensation based on the value of your account. This creates an incentive for us and our Advisors to recommend that you increase the assets in your account. We mitigate this conflict by supervising and monitoring the recommendations made by our Advisors to reasonably ensure that such recommendations are in your best interest.

We generate more revenue when a client invests in AAMP than we do when they invest in our Third-Party Managed Account ("TPMA") described in our Firm Brochure. This creates an incentive for us and our Advisors to offer AAMP to our clients. The same Strategists and Models may be available in both AAMP and TPMA, but we are able to charge clients reduced asset-based fees in AAMP because we are executing the trades in the Underlying Investments rather than utilizing a third-party to execute the trades. In addition, we select the custodian for AAMP and have more control over the clearing and custodial fees charged to AAMP accounts. For certain clients, a TPMA account may be offered when their unique financial situation and needs cannot be met through a Model offered in AAMP. We supervise and monitor the recommendations made by our Advisors to reasonably ensure that such recommendations are in your best interest.

The same Strategists and Models available in AAMP may also be available at a lower cost in our Guided Investing Wrap Fee Program, a digital advisory program offered by Copper Financial ("Guided Investing"). This program will be offered at a lower cost because it will be directed by you (i.e. no Advisor is assigned to you to make recommendations). With the Guided Investing program clients do not receive personalized advice. Advice is rendered through a digital platform based on a Risk Questionnaire you complete. Clients in the Guided Investing program also do not receive an annual review with an advisor to review their financial situation, goals, and advisory accounts. For the Strategist and Models also available in the Guided Investing digital advisory program offered by



Copper Financial the account minimums will be lower than the account minimums for the same Models within an AAMP account.

Your Advisor’s compensation can be tied to meeting sales targets as determined by Copper Financial or the Program Credit Union’s compensation plan. Firm-paid cash and non-cash compensation, incentives, contests, quotas, and bonuses for Advisors are tied to factors including asset accumulation or growth, total sales, and appraisals or performance reviews. These arrangements can be tied to broker-dealer activity only, investment advisory activity only, or both. These arrangements incentivize your Advisor to encourage the purchase of additional investments in the account or product type that result in your Advisor meeting his or her sales targets. This conflict is especially acute as your Advisor approaches the deadline for meeting sales targets, which is typically at the end of the calendar year. We mitigate this conflict by supervising and monitoring the recommendations made by our Advisors to reasonably ensure that such recommendations are in your best interest.

The amount of compensation we share with your Advisor depends on the type of investments recommended to you, your Advisor’s sales volume, and the compensation plan of Copper Financial or the Program Credit Union. The amount of commissions, fees, transaction-based payments, ongoing payments, and other forms of compensation we share with Advisors is dictated by a compensation grid used for the Program Credit Union. Our compensation grid is not investment neutral, meaning that the percentage of the compensation for any given transaction that your Advisor receives varies based on the investment recommended. Our non-investment-neutral grid incentivizes your Advisor to recommend to you the investment that results in the highest net payout for your Advisor. Advisors may be compensated differently on broker-dealer activity than they are on investment advisory activity, which creates an incentive to recommend one activity or product type over another. In addition, the compensation grid of Copper Financial or a Program Credit Union can have thresholds or bands that enable your Advisor to increase his or her compensation through an incremental increase in sales. Moreover, your Advisor’s payout percentage can be adjusted annually depending on your Advisor’s total sales and overall performance. These thresholds, bands and payout percentage adjustments incentivize your Advisor to encourage you to make additional investments that result in your Advisor meeting certain sales targets and other metrics. This conflict is especially acute as your Advisor approaches a sales threshold or the deadline for meeting sales targets, which is typically at the end of the calendar year. We mitigate this conflict by supervising and monitoring the recommendations made by our Advisors to reasonably ensure that such recommendations are in your best interest.

We do not have soft dollar arrangements, nor do we receive any client referrals from broker-dealers that we recommend.

## **ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

### **REQUIREMENTS TO MAINTAIN AN ACCOUNT**

Our AAMP accounts have minimum initial investments. The minimum initial investment varies depending on the type of Underlying Investments within the Models and/or Strategist you select. At our sole discretion we can waive account minimum requirements and change the required account minimums without advance notice to you.

The account minimums are as follows:

| <b><u>Strategist</u></b>                                      | <b><u>Minimum Initial Investment</u></b> |
|---|--|
| American Funds<br>Morningstar Mutual Fund Strategy<br>Brinker | \$5,000                                  |
| Blackrock<br>Clark  | \$10,000                                 |

|  |           |
|--|-----------|
| Goldman Sachs<br>NASDAQ Dorsey Wright ETF                                  |           |
| Morningstar ETF<br>Morningstar ESG<br>Morningstar Active/Passive           | \$25,000  |
| Morningstar Stock (excluding All Cap Equity)<br>NASDAQ Dorsey Wright Stock | \$50,000  |
| Morningstar – All Cap Equity   | \$75,000  |
| Morningstar Custom Stock/Fixed Income                                      | \$100,000 |

As noted in Item 6, below, we reserve the right to terminate your AAMP Agreement if your account balance falls below the relevant minimum investments listed in the chart above.

## TYPES OF CLIENTS

We provide investment advisory services to individuals, entities, charitable institutions, foundations, endowments, and trusts, and will accept new advisory clients who meet the minimum initial investment amounts described above.

Copper Financial and the custodian, Apex Clearing, may create eligibility requirements to establish and maintain an AAMP account based on client residency or citizenship. Given these requirements, you may be required to provide documentation to Copper Financial to document your residency or citizenship. If a client's residency or citizenship changes after the account is established or if we or Apex Clearing change our eligibility requirements, we may terminate your AAMP Agreement and require you to liquidate your holdings or transfer them to another custodian, where they will no longer be managed by Copper Financial or one of our Advisors.

## ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

### STRATEGIST SELECTION

We retain third-party investment managers to serve as Strategists to create the Models available in AAMP. We reserve the right to add or remove available Strategists at our sole discretion without notice to you. We select Strategists that offer diversified portfolios that feature a variety of asset classes and asset allocation models with the goal of providing multiple options of available Models you can select to assist you in meeting financial goals. The list of approved Strategists is included in Item 4 above.

Strategists are solely responsible for selecting the Underlying Investments for each Model. Strategists will provide ongoing monitoring of the Models and the Underlying Investments included in the Models. Strategists will communicate any changes in Model allocations to us. This is done to ensure that each Underlying Investment selected for a Model has an investment objective that remains consistent with the assigned asset allocation within each Model to which it is allocated. This process will result in periodic changes to the Models and Underlying Investments. These periodic changes may cause a taxable event.

### RELATED PERSON STRATEGISTS

Neither we nor any of our Advisors are affiliated or related persons to any of the Strategists we offer through AAMP. However, we act as the Portfolio Manager for the Models offered in our AAMP program. We rely on the Strategists to provide us with the allocations of the various Models we offer in AAMP.

## PORTFOLIO MANAGEMENT

Strategists are solely responsible for selecting the Underlying Investments for each Model. You will grant us discretionary authority to buy and sell Underlying Investments in your AAMP Portfolio(s) based on the Models provided by the Strategists without first consulting you. Our discretionary authority includes the authority to determine the amount to be bought or sold without obtaining your prior consent and the timing of the transactions. This discretionary authority does not include withdrawing funds or securities from your account(s). Discretionary authority is granted only by you and must be in writing. Discretionary authority can be withdrawn by you; however, this action will result in the termination of your account as we only provide discretionary managed accounts.

We retain the Program Fee discussed in Item 4, above, to compensate us for services we provide for AAMP accounts.

### Opening, Maintaining, and Terminating your AAMP Account

#### *Opening your AAMP Account*

You will complete a client agreement (“AAMP Agreement”) and investment proposal (“IP”) to establish an AAMP account. This process will determine, among other things, your investment objective, risk tolerance and time horizon (your “Investment Profile”). If different, the risk score identified in this determination will prevail over the risk tolerance identified on your New Account Form. Using the data from your IP you and your Advisor will select a Model for your AAMP account.

We custody all Underlying Investments in AAMP accounts with our clearing firm (Clearing Firm):

Apex Clearing Corporation  
350 North St. Paul Street  
Suite 1300  
Dallas, TX 75201

By establishing an AAMP account with Copper Financial you will simultaneously enter into an agreement Apex Clearing Corporation (“Apex Clearing”) to provide clearing and custodial services with respect to your AAMP account. Apex Clearing will also serve as the custodian for any IRA accounts opened in the AAMP program. Apex Clearing is a registered broker-dealer and unaffiliated with Copper Financial.

You will receive monthly or quarterly statements, depending on the frequency of activity in your account, and possibly other reports from our Clearing Firm for each of your AAMP accounts. We urge you to carefully review each statement and report and alert your Advisor promptly if there are any discrepancies or errors. Additionally, you are reminded to make all checks and securities payable/endorsed to the Clearing Firm, and not to us or your Advisor.

When establishing an AAMP account clients can elect on the new account form whether they want to hold cash either as a free credit balance (i.e. uninvested) in an account or in a bank account insured by the Federal Deposit Insurance Corporation (“FDIC”). The FDIC-insured account is referred to as a “cash sweep vehicle”. FDIC insurance on the cash sweep vehicle is limited based on a standard maximum amount in accordance with the FDIC’s rules, which can be found at [www.fdic.gov](http://www.fdic.gov). The default election for AAMP accounts is to invest cash in the cash sweep vehicle if no election is made on the new account form. You can change your election on how you hold cash in an your AAMP account at any time by contact your Advisor. You can review the terms and conditions of the FDIC sweep account on our Clearing Firm’s website at [www.apexclearing.com/disclosures/](http://www.apexclearing.com/disclosures/). See the Other Compensation section in Item 9 below for additional information on the cash sweep vehicle.

### *Funding your AAMP Account*

You may fund your AAMP account with cash or securities acceptable to us in our sole discretion. Securities used to fund your AAMP account will likely be sold to purchase Underlying Investments. This may cause a taxable event. If your account is funded by a transfer of an account from another financial institution, there may be a period during the transfer process that your transferring account is not invested in the market. If your account is funded by a check, our Clearing Firm may place a hold on the funds at their discretion which could lead to a delay in investing.

As part of the account opening process, you will tell us the approximate value of the cash or securities you expect to place in your AAMP account. We will monitor transfers into AAMP accounts and use our discretion to determine when to begin allocating your account to the Underlying Investments of the Strategists. Generally, we will not allocate your account into the Underlying Investments until a significant portion of the expected initial investment has been received by us or you or your Advisor inform us that the Clearing Firm has received all of the funds and securities you wish to invest in your AAMP account. We will allocate your account into the Underlying Investments on the next business day after the initial investment is received or a significant portion of the expected initial investment has been received if all required agreements have been properly executed. Subsequent investments into an existing account will also typically be allocated the next business day after the funds and/or securities are received in your account. If you make a subsequent investment in your account that is relatively small compared to your account balance the subsequent investment may not be immediately invested in the Underlying Investments. At our discretion, we may delay rebalancing your account to invest the small investment if holding the subsequent investment in cash keeps your account in line with the allocation of the Underlying Investments provided by the Strategist for the model you are invested in. If your account is funded but we have not received properly executed agreements your account will not be invested in the market. Once the properly executed agreements, including agreements for a Strategist or Model change, are received in our home office we make reasonable efforts to allocate your account to the Underlying Investments the same business day. Depending on the timing of the receipt of the properly executed agreements it may not be possible to allocate to the Underlying Investments until the next business day due to market cut-off trading times and the time required for us to identify and enter the necessary trades.

There may be occasions where our Clearing Firm does not receive updated daily prices for mutual funds from the mutual fund companies sponsoring those products by the daily processing time cutoff. If there are trades in the AAMP account for mutual funds where the daily pricing is delayed, this can lead to a delay in settling trades and could result in a delay in processing a withdrawal from your AAMP account.

### *Withdrawing from Your AAMP Account*

Requests for withdrawals will take multiple business days to process. On the first business day we will sell a portion of the Underlying Investments in your account to fund the withdrawal request. After all trades settle (usually within two business days after the Underlying Investments in your account are sold) then the funds will be distributed from your account and sent to you in the method you request provided appropriate instructions are in place for the method you request. We will use reasonable efforts to process a withdrawal request the same day the instructions are received. Depending on the timing of when your withdrawal request is received it may not be possible to enter the sell trades and re-allocate the Underlying Investments until the next business day due to market cut-off trading times and the time necessary for us to identify and enter the necessary trades.

### *Systematic Contributions and Withdrawals*

You may setup a systematic contribution to or withdrawal from your AAMP account. For systematic contributions, we will invest the funds received in the Underlying Investments on the first day funds are available to trade, which can vary depending on the source of funds as described above but is typically the day after the funds are received in your account. For systematic withdrawals, we will sell Underlying Investments at an appropriate time at our discretion before the withdrawal occurs to ensure the funds are available on the date the withdrawal is scheduled.

When making buy or sell transactions, we will strive to maintain the Underlying Investments in the same proportion as your selected Model provided by the Strategist, to the extent possible. We do not consider the unrealized gains or losses when making these sells, which may result in adverse tax consequences for you if your AAMP account is taxable (also known as non-qualified).

### *Trading and Rebalancing*

At account opening and when rebalancing we will allocate your account to the Underlying Investments in the proportions identified by the Strategists to the extent possible for the Model you have chosen. The allocation of the Underlying Investments in your account may not exactly match the proportions identified by the Strategist due to various factors, including the balance of your account and the price of the Underlying Investments. Differences between the allocations provided by the Strategists and how we allocate your account, if any, should be minimal but could affect performance in your account.

Strategists will periodically make changes to the Underlying Investments that cause the Model to deviate or drift from its original target allocation. This may also occur as a result of changes in the market value of the Underlying Investments. We have developed parameters to determine whether or not rebalancing of your account is appropriate. By opening an AAMP account you will give us discretion to rebalance your AAMP account at any time to return it to its original or new model allocation and to buy and sell Underlying Investments to implement any changes made by Strategists, as communicated by Strategists from time to time. Additions to or withdrawals from an AAMP account may also lead to rebalancing. Frequent withdrawals may have an adverse impact on achieving your investment goals and objectives. Rebalancing may cause taxable events.

From time to time, we or the Strategists may discontinue a Model without prior notice to you. If we choose to discontinue offering a Model or are required by a Strategist to discontinue the use of a Model, we will use the discretion you grant us to select a Model with a similar objective of the discontinued Model. We will notify you in writing 30 days prior to the Model being changed on your account. If Copper does not receive adequate notice of a discontinued model from a Strategist to provide you 30 days prior written notice we will provide as much prior written notice as is reasonably possible. Any change in the fee for your AAMP account will only be processed with your affirmative consent.

Copper places aggregated orders involving multiple AAMP accounts trading in the same securities. In conducting these transactions no client is favored over any other client and each client that participates in an aggregated transaction will participate at the average share price for transactions in the aggregated order. Copper does not charge separate fees for any trade execution service provided to clients.

### *Fractional Shares*

The Underlying Investments purchased or sold on behalf of a client and held in an AAMP account may be traded in either whole shares or fractional shares at our sole discretion. Whether the Underlying Investments will be traded in fractional or whole shares depends in part on the amount a client contributes to their account and whether the Underlying Investment being traded is eligible to be traded in fractional shares. Not all Underlying Investments included in the models offered in the AAMP program are available to be traded with fractional shares. For those Underlying Investments only whole shares will be used. Clients are not permitted to elect whether they want their account traded in whole or fractional shares. We will use fractional shares as much as possible. Trading in fractional shares allows us to keep your AAMP account invested in allocations that are more closely aligned to the allocations provided by the Strategist. Fractional shares in your AAMP account are rounded to the fifth decimal place.

To the extent that Copper Financial trades fractional shares of any Underlying Investment on behalf of its clients, it does so by allocating any excess fractional shares to the Clearing Firm's fractional trading facilitation account. The Clearing Firm in turn accumulates fractional shares from multiple accounts they custody and buys and sells shares in whole or fractional quantities and manages its fractional facilitation account in accordance with its own policies as

they pertain to management of such accounts and positions. Copper Financial and the Clearing Firm each reserves the right, at any time and each in its sole discretion, without prior notice to clients, to change the details of the policies and procedures governing the mechanics of trading fractional shares, including, without limitation, allocation calculation and rounding procedures.

Fractional shares are typically illiquid outside of your AAMP account and, as a result, fractional shares may not be marketable or transferrable to another brokerage account outside of Copper Financial. In the event of a liquidation or transfer of the assets in your AAMP account to another account, Copper Financial will convert your fractional shares to cash, which may cause tax consequences. Dividends received in connection with assets in your account will be allocated pro-rata based on the fractional shares held and you will not receive a dividend if the pro-rata amount of such dividend is less than \$0.01. You understand that you may vote your fractional shares and votes cast for fractional shares will be aggregated with other votes cast for shares custodied at Apex for other accounts, and they will be voted to the extent that they total a full share. The remaining fractions will not be voted.

### *Moving to Cash*

If you decide that you would like to sell all of the Underlying Investments in your AAMP account and no longer invest in the Model previously selected and invest your account in the default “cash” option, we will cease billing as of the day of the sell transactions. If you later decide you would like to repurchase Underlying Investments in the original or new Model from the same or a different Strategist, we will require you to complete a new AAMP Agreement with your Advisor and may, at our sole discretion, require that you and your Advisor complete a new Investment Proposal. If your account is moved to “cash,” we may, at our sole discretion, terminate your AAMP account and distribute the funds to you.

### *Unbilled Assets*

As an accommodation to you, we may at our sole discretion hold securities or other assets you own in your AAMP account that are not part of the Underlying Investments selected by the Strategists. These holdings, referred to as “Unbilled Assets”, are not part of the AAMP program and will be excluded from the advisory fee for your AAMP account. We, your Advisor, and the Strategists do not provide any opinion as to the advisability of holding any Unbilled Assets we may agree to hold in your AAMP account. If you decide to sell an Unbilled Asset, normal brokerage commissions will apply. In addition, unless you instruct us otherwise, the proceeds from the sale of any Unbilled Assets will no longer be considered Unbilled Assets and will be allocated to the Underlying Investments selected by the Strategists.

You will also incur certain fees charged by mutual fund companies and exchange-traded funds on positions held as Unbilled Assets in your account. These fees are disclosed in the applicable prospectus. Examples of these fees include deferred sales charges, administrative expenses, internal management fees and other service fees. For more information about these fees please read the summary or full prospectus for each mutual fund and the disclosure document for ETFs. We and your Advisor do not receive a portion of these fees.

### *Trade Errors*

We have a trade error procedure to resolve trading errors made by Copper that may occur in AAMP accounts. Corrections are reviewed and approved by trading personnel. Corrections will be processed, to the extent the markets are open, in a timely manner in an attempt to ensure no material financial harm to you. Gains on trade error corrections will typically be offset by losses in our trading account, if any. Gains are retained by Copper. Generally, errors resulting in de minimis losses or gains may not be corrected.

### *Terminating your AAMP Account*

You may close your AAMP account or terminate your AAMP Agreement at any time by delivering written notice to us. If you wish to terminate your AAMP Agreement we may require you to transfer your holdings to a new or existing non-advisory account with our Clearing Firm. We also reserve the right to close your AAMP account or terminate

your AAMP Agreement at any time at our sole discretion, including but not limited to, if your account balance falls below the relevant minimum investment discussed in Item 5 (above), or if we determine your account is abandoned. We may also close your AAMP account or terminate your AAMP Agreement if you do not meet the citizenship and residency eligibility requirements referenced in Item 5 above of Copper Financial or Apex Clearing. At the time your AAMP account or AAMP Agreement is terminated we cease billing and stop rebalancing your account. In the event of your death, we will cease billing and stop rebalancing your account as of the date we receive notification of the same from a source we find reliable, including but not limited to from CommunityAmerica or a Program Credit Union.

Termination of an account may cause a taxable event. At the time your account is closed you will be charged account termination fees and any other applicable charges as disclosed in our Brokerage Fee Schedule at <https://cu.financial/disclosures/>.

Note: Failure to fund an AAMP account within 120 days of executing a client agreement may result in the termination by us of your client agreement and the closure of your AAMP account(s).

We reserve the right to decline to enter into an Advisory Relationship with you or open an advisory account for you at our sole discretion.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

AAMP Models are developed for us by various Strategists and will be used to implement an asset allocation strategy. Asset allocation is one investment style that may assist you in ensuring that you have an appropriate mix of Underlying Investments based on your financial and personal objectives, time horizon, and risk tolerance. Of course, there is no certainty that any investment strategy, including asset allocation, will be successful in achieving your investment objectives. Your investment principal will fluctuate with the financial markets and the value of your Underlying Investments. Therefore, your Underlying Investments may be worth more or less than you originally paid for them at the time you decide to sell or redeem them.

The future performance of any specific Underlying Investment or investment strategy is not guaranteed and you may lose money. Investing in any class of Underlying Investments (including mutual funds, ETFs and individual stocks) involves the risk of loss. Different types of Underlying Investments have varying degrees of risk. You must be prepared to experience loss of value in your Underlying Investments in your AAMP Portfolio(s), including the loss of your original principal.

Neither we nor your Advisor represent, guarantee, or even imply that our investment advisory services related to AAMP:

- can or will accurately predict future financial results;
- successfully identify market tops or bottoms;
- insulate your Underlying Investments from losses due to market corrections or declines.

There are certain additional risks that you should consider when investing in an AAMP Portfolio(s) including, but not limited to:

- **Risk of Owning Individual Stocks.** Individual stocks are susceptible to general market fluctuations and to volatile increases and decreased in value as market confidence in and perceptions of their issuers change.
- **ETF and Mutual Fund Risk.** Owning ETFs and mutual funds involves certain investment management and operating expenses, which are shared on a pro rata basis by all owners of these Underlying Investments. The risk of owning an ETF or mutual fund is directly proportional to the risk of the Underlying Investments held by them. You may incur brokerage costs when purchasing and selling ETFs. Leveraged and inverse ETFs are not appropriate for many investors due to their unique characteristics and market risks. Although leveraged

and inverse ETFs can be a useful investment tool for some investors and in limited circumstances, it is extremely important for you to understand that holding these ETFs longer than one day may result in significant losses. Copper Financial does not have any control over the holdings within the mutual funds or ETFs held in your AAMP account.

- **Asset Allocation and Monitoring.** Strategists have agreed to provide us from time to time any updates or changes they make to the models they provide, including changes to asset allocation and Underlying Investment selection. We will, on a discretionary basis without consulting you in advance, determine whether, in what manner, and when to implement a Strategist's recommended changes. Our failure to implement your Strategist's changes in a timely manner or at all may result in losses in the value of your AAMP Portfolio(s).
- **Performance:** There is no assurance that the performance of your AAMP Portfolio will track that of any benchmark or index, including those that may be used in AAMP marketing materials. Strategists create marketing materials that contain certain information about their Models. These materials can include information on historical performance (i.e., investment returns) of the Models achieved by the Strategists in accounts managed by the Strategist. This actual account performance achieved by the Strategist may also be referred to as "composite performance" by the Strategist. Although the performance has been achieved by the Strategist, the performance displayed in the Strategist's marketing materials is considered "hypothetical performance" to your AAMP account because the performance achieved by the Strategist has not been achieved by us. Performance in the Models within AAMP accounts can differ from the composite performance reported by the Strategist for a variety of reasons, including but not limited to, Copper Financial buys and sells the Underlying Investments in your AAMP account, not the strategist, and that can result in the trades being entered at different times and on different dates, the allocation of the Underlying Investments in your AAMP account may not match the Model prescribed by the Strategist exactly, the inception date of your AAMP account is different than that of the Model, the timing of deposits and withdrawals in your individual AAMP account, and the advisory fee charged to your AAMP account may be different than the advisory fee reflected in the Strategist's marketing materials. In addition, **past performance does not guarantee and may not be indicative of future results.**
- **General Risks of Investing.** All Underlying Investments and investment strategies involve risk, the degree of which may vary significantly. Investment performance can never be predicted or guaranteed, and the value of your Underlying Investments will fluctuate due to market conditions and other factors. Investments made and the actions taken by us with respect to the Underlying Investments your AAMP Portfolio(s) will be subject to various market, liquidity, economic and political risks that we and you cannot control. You should review the offering materials and other disclosures available for each of your Underlying Investments to obtain an accurate appreciation for their associated risks and fees.
- **Responsible Investing and ESG Risks.** Clients utilizing responsible investing strategies and environment, social responsibility and corporate governance (ESG) factors may underperform strategies which do not utilize responsible investing and ESG considerations. Responsible investing and ESG strategies may operate by either excluding the investments of certain issuers or by selecting investments based on their compliance with factors such as ESG. These strategies may exclude certain sectors or industries from a client's portfolio, potentially negatively affecting the client's investment performance if the excluded sector or industry outperforms. Responsible investing and ESG are subjective by nature, and the Model's Strategist may rely on analysis and 'scores' provided by third parties in determining whether a Underlying Investment meets the Strategist's standards for inclusion or exclusion. A client's perception may differ from Copper Financial's or a third party's on how to judge an issuers adherence to responsible investing principles.

## Voting Client Securities

Neither we nor your Advisor vote proxies for Underlying Investments held in either AAMP accounts or securities held in AAMP accounts. You retain the responsibility for receiving and voting proxies. You will from time to time receive



proxy solicitations from the custodian and/or transfer agent of your Underlying Investments. You should contact the person identified in the proxy materials with any questions about a particular proxy solicitation.

## **ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

We collect information from you, including nonpublic personal information, about you and your current financial situation, your current securities and other financial holdings, information about your financial goals, investment objectives, risk tolerance, time horizon, and tax status, and other relevant information related to your account. This information is used to establish an account at our Clearing Firm and to prepare an individualized IP and for our Advisor to recommend an appropriate Strategist and Model. We disclose information about your account to Strategists to service our business relationship with you.

## **ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The primary point of contact for you with respect to your accounts is your Advisor. You are free to contact your Advisor to discuss your account at any time.

There are no restrictions for you to directly contact the Strategists. However, the Strategists will have no information about your holdings in your AAMP account. Any information about you the Strategists have will be based on the information we or your Advisor may have provided to them as discussed in Item 7 above. If you have questions for a Strategist it is recommended you contact your Advisor to discuss.

## **ITEM 9 – ADDITIONAL INFORMATION**

### **Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our investment advisory activities.

We have no applicable information to disclose.

### **Other Financial Industry Activities and Affiliations**

We are dually registered as a broker-dealer and federally registered investment adviser. We are also a licensed insurance agency offering annuities, life insurance, long-term disability insurance, and long-term care insurance. These are our primary businesses. We are a wholly-owned subsidiary of CommunityAmerica Credit Union, an entity qualified to sell National Credit Union Association (“NCUA”) regulated products in certain counties in Kansas and Missouri. We are a wholly-owned subsidiary of CommunityAmerica CUSO One, LLC. We may also make referrals for clients to purchase insurance products through CommunityAmerica Insurance Agency (“CAIA”), which is a related entity owned by CommunityAmerica CUSO One, LLC.

We also offer Trust Services through an arrangement with National Advisors Trust Company (“NATC”) under the marketing name CommunityAmerica Trust Services. NATC is a chartered trust bank regulated by the Office of the Comptroller of the Currency. If you enter into a Trust Service arrangement with us and NATC, we or NATC may act as trustee with respect to your investment accounts while NATC may act as trustee and for other assets in any trust. NATC will also provide record keeping and other ancillary services as trustee.

As noted in Item 4 and discussed in the Client Referrals section below in more detail, we enter into bank networking agreements with unaffiliated Program Credit Unions to offer broker-dealer, registered investment adviser, and insurance services to their credit union members. Pursuant to the networking agreement with the credit union, and

to the extent permitted by law, we share a portion of the AAMP fees we receive with the credit union. Your Advisor is registered with us as an investment adviser representative and may also be registered with us as a broker-dealer registered representative and licensed with us as an agent of Copper Financial in our capacity of an insurance agency. Your Advisor will receive compensation from advising clients to establish brokerage, financial planning, investment advisory, and/or insurance relationships with us depending on their registrations with Copper Financial. Your Advisor may also make referrals to CAIA and may receive compensation for insurance products sold through CAIA.

Advisors working with Program Credit Unions are permitted to offer the Financial Planning Services discussed in the Firm Brochure and other advisory services offered by Copper Financial as discussed in our other Brochures, including the Firm Brochure. Program Credit Unions are discouraged from offering TPMA services discussed in the Firm Brochure and require approval from Copper Financial to offer those accounts to a client.

## **Code of Ethics, Participation or interest in Client Transactions and Personal Trading**

We place significant value on ethical conduct for all advisory business. In addition to our obligation to comply with the federal securities laws, we have established a standard of business conduct required of all our personnel in our Code of Ethics. Our Code of Ethics is designed to protect clients by deterring misconduct and preventing fraud by reinforcing fiduciary principles that must govern the conduct of our personnel. An Adviser, as a fiduciary to its clients, is responsible for providing professional, continuous, and unbiased investment advice. Fiduciaries owe their clients a duty of honesty, good faith, and fair dealing. In order to ensure that our Advisors and employees strictly adhere to the highest standard of conduct and integrity in conducting business on behalf of our clients, we require applicable personnel to certify to our Code of Ethics.

In addition, the Code of Ethics governs personal trading by all personnel and is intended to ensure that personal securities transactions effected by personnel are conducted in a manner that avoids any actual or potential conflict of interest between personnel and clients of us or our affiliates. We collect and maintain records of securities holdings and securities transactions effected by our personnel. These records are reviewed to identify and resolve potential conflicts of interest. We will furnish a copy of our Code of Ethics to you upon request. You may contact your Advisor at their office number or our home office at 913.905.3600.

## **Review of Accounts**

New AAMP accounts are reviewed and approved by a Supervisory Principal associated with Copper Financial. You and your Advisor should meet at least annually to discuss whether to change an AAMP portfolio based on changes in your financial situation, objectives or risk tolerance. Annual reviews and attempts to schedule annual reviews are documented and retained by us. Your Advisor must obtain your written permission to change or terminate an AAMP portfolio.

You will receive from qualified custodians, including our Clearing Firm, at a minimum, quarterly account statements describing positions and activity in your AAMP accounts. For any month there is activity in the account, you will receive a statement detailing that month's activity. We (not your Advisor) provide written performance reports and consolidated statements no less than quarterly for AAMP accounts. We urge you to carefully review these performance reports and consolidated statements and alert us and your Advisor promptly if there are any discrepancies or errors. Consolidated statements are provided for informational purposes and as a courtesy to our clients. We have an agreement with a third-party technology vendor to implement and host the consolidated statement and performance reporting platform. That vendor is not affiliated with us. We believe the data provided on consolidated statements is reliable but the accuracy and completeness of the information is not guaranteed and has not been verified by us. The data in the consolidated statement is a compilation of information from various financial sources (for example, our Clearing Firm). In the event of any discrepancy, the statement you receive directly

from the companies maintaining your account(s) are the official records of your holdings and the valuations on those statements shall prevail.

Performance reports are provided electronically via posting to our client portal sent in paper form via the mail, or both. You select the delivery method of performance reports at the time the AAMP Agreement is completed. After your account is established to opt out of either paper or electronic copies of performance reports you must provide a written request to your Advisor. You cannot opt out of all performance report delivery; one method must be selected. Performance report delivery elections will apply to all AAMP accounts owned by your Household. If you change your performance report delivery election on one account, it will be applied to each AAMP account owned by your Household.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### *Client Referrals*

Copper Financial is affiliated with CommunityAmerica Credit Union (“CommunityAmerica”). CommunityAmerica makes referrals to its members to receive non-deposit investment products and services from Copper Financial. Employees of CommunityAmerica may refer clients to Copper Financial to speak with an Advisor regarding the investment advisory services described in Item 4 above. CommunityAmerica employees who make a referral to Copper Financial may receive a one-time payment from us of up to \$50 regardless of whether a Copper Financial account is opened by the client referred by CommunityAmerica.

As discussed above in Other Financial Industry Activities and Affiliations, Copper also maintains agreements with Program Credit Unions. Program Credit Unions are deemed to be a “promoter” of Copper Financial and provide referrals to their members to obtain non-deposit investment products and services from Copper Financial, including investment advisory services. The Program Credit Unions are typically not clients of Copper Financial. In exchange for the referrals from the Program Credit Union Copper Financial pays the Program Credit Union a referral fee, which represents a portion of the commissions and fees generated from the investment advisory accounts, brokerage accounts, and insurance contracts opened and maintained by members of the Program Credit Union. The exact referral fee paid by us is negotiated with each Program Credit Union and will be disclosed prior to your account being opened with Copper Financial. You can also contact [compliance@cu.financial](mailto:compliance@cu.financial) for additional information on the referral fee for the Program Credit Union you are a member of. The referral fee is paid to the Program Credit Union as long as your account is open and the agreement between Copper Financial and the Program Credit Union is maintained. The payment of referral fees by Copper Financial to the Program Credit Union creates a conflict of interest by incentivizing the Program Credit Union to make referrals to Copper Financial. The Program Credit Union may receive a different referral fee from Copper Financial depending on the type of account or investment you hold with Copper Financial.

Employees of Program Credit Unions may also refer clients to Copper Financial to speak with an Advisor regarding the investment advisory services described in Item 4 above. Employees of Program Credit Unions who make a referral to Copper Financial may receive a one-time nominal payment, paid by the Program Credit Union, regardless of whether a Copper Financial account is opened by the referral.

The Advisor who recommends investment products and services to you is an employee of Copper Financial or the Program Credit Union and the amount of compensation the Advisor receives is determined by their employer. Compensation plans for Advisors employed by Program Credit Unions are approved by Copper Financial. These compensation plans outline what portion of the Advisor receives of the fees they generate. There can be different incentives for employees of Program Credit Unions based on the Compensation Plan adopted by the Program Credit

Union, which can create different conflicts for Advisors. Advisors may also receive a salary in addition to a portion of the fees they generate through Copper Financial.

### *Other Compensation*

In addition to the fees discussed in Item 4, above, we receive compensation from certain Strategists for ongoing marketing and sales support activities including, but not limited to, training, educational meetings, due diligence reviews, and day-to-day marketing and/or promotional activities. Not all Strategists pay such compensation. This compensation may be paid to Copper Financial directly or paid to Copper Financial or a vendor on behalf of our Advisor. These payments are not made directly to an Advisor, but the Advisor may benefit by not having to pay for these services themselves. This is a conflict of interest as it will result in Copper Financial providing the AAMP Strategists that provide us this additional compensation with increased access to our Advisors. This additional access to Advisors and the additional financial support paid on behalf of an Advisor could create a conflict of interest for the Advisor and cause the Advisor to recommend an AAMP Strategist to you that has this additional access and/or provides financial support on the Advisor's behalf over an AAMP Strategist that does not have additional access to the Advisor or provide financial support on their behalf.

We permit our Advisors to accept small gifts from AAMP Strategists. This creates a conflict for the Advisors to recommend services of these Strategists. We mitigate this conflict by prohibiting gifts of cash or cash-equivalents and limiting the value of the gifts to no more than \$100 per year from any one Strategist.

We receive Payment for Order Flow (PFOF) for orders directed by us to our Clearing Firm. We route all orders eligible for PFOF to our Clearing Firm, including all orders in AAMP accounts, and we do not have any control or discretion over the handling of your orders after they have been routed to our Clearing Firm. Our Clearing Firm receives PFOF to the market makers, exchanges, and market centers to which it directs our orders in listed securities. Our Clearing Firm shares a portion of this income with us. The PFOF incentivizes us to trade your AAMP account at a greater volume. This conflict is mitigated by the fact that our discretionary trading is limited to: 1) allocating your account to the Underlying Investments as of the date your account is first invested, 2) rebalancing the Underlying Investments within the account based on changes due to additional investments by you, withdrawals by you, changes in the Underlying Investments as communicated to us by the Strategist, changes in the Model to which your account is managed as instructed by you, and drift in the allocation due to the relative changes in prices for the Underlying Investments, and 3) selling positions to close our account. Please refer to the order routing disclosure on our website at <http://cu.financial/disclosures> for additional information.

As discussed in the Opening your AAMP Account section of Item 6 above, the cash in AAMP accounts can be invested in an FDIC insured sweep account ("FDIC cash sweep vehicle") offered by our Clearing Firm or as uninvested cash and held as "free credit balances". We participate in a revenue sharing program with our clearing broker-dealer, Apex Clearing, based on the dollar amount of cash held in your AAMP account at Apex Clearing either in the FDIC cash sweep vehicle or as a free credit balance. The revenue sharing payment we receive is greater when clients are invested in the FDIC sweep vehicle than if a client elects to hold their cash as a free credit balance. To mitigate this conflict of interest, the interest paid to clients on balances in the FDIC cash sweep vehicle is greater than or equal to, but not lower than, interest paid to clients on free credit balances in their AAMP accounts. Copper Financial determines the interest rate paid to clients for the FDIC cash sweep vehicle and the free credit balances held in AAMP accounts and can increase the payout to clients by reducing its portion of revenue sharing on those balances. These payments incentivize us to recommend you hold investments in the FDIC cash sweep vehicle. We collect this revenue as soon as cash is invested in your AAMP account regardless of when your account is allocated to the Underlying Investments. This represents a conflict of interest as we receive revenue from the cash held in your AAMP both through this revenue sharing arrangement as well as from the asset-based management fee, which includes the value of the cash held in your account. We mitigate this conflict by following the recommended allocations of the Strategists and following our established parameters to rebalance your AAMP account based on any changes

recommended by the Strategists or changes in the market value of the Underlying Investments held in your account (See Item 6 for additional information). We also monitor for new AAMP accounts that are not yet fully funded and reserve the right to close those accounts if they are not funded within 120 days.

## **FINANCIAL INFORMATION**

Copper Financial is not aware of any financial condition that is reasonably likely to impair its ability to meet our contractual commitments to clients. Copper Financial has also not been the subject of a bankruptcy petition at any time during the previous ten years.