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March 27, 2024

## Part 2A Brochure

This brochure provides information about the qualifications and business practices of Peak Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 303-926-0100. 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. Peak Asset Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Peak Asset Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for Peak Asset Management, LLC is 106944.

## ITEM 2 – MATERIAL CHANGES

### Summary of Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Since our last annual amendment filing made on March 16, 2023, the following material updates have been made:

**Item 4) Advisory Business:** In limited circumstances, our Firm offers stand-alone financial planning services.

**Item 5) Fees and Compensation:**

- For clients engaged with our Firm for financial planning services only, financial planning is outlined under a separate agreement with its own fee. The fee will be determined based on factors including, the complexity of the Client’s financial situation, the number of financial planning services agreed upon, along with the deliverables provided to the Client by the Adviser. Our stand-alone financial planning fee will be agreed to in advance of services being performed and negotiated with the Client. The fixed fees range from \$2,500 to \$10,000.
- Peak requires an initial minimum portfolio value of \$1 million to provide investment advisory services to new clients. Our firm has a minimum annual investment advisory fee of \$11,250 (which is the same amount as the annual fee calculated under our fee schedule on \$1 million in assets).

**Item 10) Other Financial Industry Activities:** Jason Foster, Peak’s Director of Wealth Strategies and Legacy Planning, and Manager, provides legal services offered through his law firm, Foster Law, PLLC. Clients of Peak may be referred to Foster Law, PLLC for estate planning and other legal services. This presents a conflict of interest as both firms have an economic incentive to refer clients to each other in lieu of referring clients to other law firms or financial professionals. Although we may recommend a Client use the services of Foster Law, PLLC, the Client is never obligated or required to use its services.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer John McCorvie at 303-926-0100 or [johnmccorvie@peakam.com](mailto:johnmccorvie@peakam.com). We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Peak Asset Management, LLC (“Peak”) about the investment advisory services we provide. It discloses information about the services that we provide and the manner in which those services are made available to you, the Client.

We are an SEC-registered investment adviser with its principal place of business located in Louisville, Colorado. We began conducting business in 1994. Listed below are the firm's managers, owners and advisers:

- Terrance William Hefty (Manager, CRD No. 2766094);
- Noel Fletcher Bennett (Manager, CRD No. 4359632);
- John Neal McCorvie Jr., CFA (Manager and beneficial owner through McCorvie Financial, LLC, CRD No. 1509677);
- Tara Jill Hefty, CFA, FRM (Manager and beneficial owner through Tara J. Hume Financial Consulting, LLC, CRD No. 5469036);
- Terry L. Robinette (Manager, CRD No. 4355257);
- Brent C. Yanagida, CFP®, EA (Financial Planner and Manager, CRD No. 2393687);
- Julie F. Pribble, CFA (Manager, CRD No. 2319095);
- John H. Russell, CFA (Associate Adviser, CRD No. 7289033);
- Bethany A. Aylor, CFP® (Associate Adviser, CRD No. 6353182);
- Sophie Berglund, (Associate Adviser, CRD No. 7688713);
- Jason Foster, JD, AEP® (Director of Wealth Strategies and Legacy Planning, Manager, CRD No. 6592312);
- Grant Bugner, CFP®, (Associate Adviser, CRD No. 7306730).

We will offer an initial complimentary meeting in our discretion; however, investment advisory services are initiated only after you execute an Investment Advisory Agreement (“Agreement”).

### **Investment and Wealth Management and Supervision Services**

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. (In limited circumstances, we also offer non-discretionary investment management.) These services include investment analysis, allocation of investments, quarterly portfolio statements, financial commentaries, and ongoing monitoring of client portfolios. We primarily allocate client assets among cash, individual stocks, individual bonds, exchange traded funds (“ETFs”), mutual funds and other public securities or investments. We generally invest Client’s cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the prudent return on our client’s cash balances through relatively low-risk and conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to this service.

We primarily provide portfolio management to accounts belonging to individuals based on their specific needs. During our data-gathering process, we determine each client’s individual investment objectives, goals, time horizons, risk tolerances, restrictions, liquidity needs and any legal or regulatory constraints. As appropriate, we may also review and discuss a client’s prior investment history, as well as family composition and background. From this information, we develop a custom investment policy statement (IPS) with the client that we use to create and manage their portfolio.

Since we are an independent registered investment adviser, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Although we do not limit

management to specific types of securities, we will only use types of investments we feel are consistent with a client's objectives, tolerance for risk, liquidity, etc. In addition, clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors in their IPS. We will review with clients their IPS as needed or periodically.

We will rebalance the portfolio as we deem appropriate to meet your financial objectives. We trade these portfolios and rebalance them on a discretionary basis based on our market views and on your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives.

In all cases, you, the Client, have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate authorization from you.

Where appropriate, we may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage us to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts, assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that may adversely affect an account's performance. This could result in capital losses in your account.

Peak requires an initial minimum portfolio value of \$1,000,000 for new investment advisory clients. In limited circumstances, this minimum portfolio value requirement is negotiable.

### **Participant Account Management (Discretionary)**

We use a third-party platform, Pontera, to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of Client funds since we do not have direct access to Client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the Client allowing them to connect an account(s) to the platform. Once Client account(s) is connected to the platform, Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

### **Financial Planning**

Financial Planning services are included with our investment management services. In limited circumstances, our Firm offers stand-alone financial planning services. For clients engaging our Firm for financial planning services only, financial planning is offered under a separate agreement and separate fee. The specific services and deliverables will be defined in the Financial Planning Agreement. For clients participating in our financial planning services, we conduct an analysis of your current situation and identify and implement appropriate financial

planning and investment management techniques to help you meet your specific financial objectives. Such services may include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance regarding outside assets and periodic updates.

In preparing your analysis, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on your specific needs. These include: financial position, risk management, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan may include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position, including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Development of a goal-oriented investment plan around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax adviser, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.
- Generation of a benefits plan, risk management plan and succession plan for your business, if applicable.

Periodic reviews may also be provided to review specific courses of action recommended in the financial planning process. More frequent reviews may occur but are not necessarily communicated to the you unless immediate changes are recommended.

### **SMA Sub-Advisor (“SMA”)**

Occasionally our firm will recommend utilizing the services of a Sub-Advisor in a “Separately Managed Account” (SMA) for the management of municipal bond portfolios in specific accounts. Upon the recommendation, we will review with the client initial due diligence on the SMA Managers we work with, and if the client agrees with the recommendation, the SMA’s Manager will be engaged to handle security selection and trading within the parameters we establish with the client and the SMA Adviser.

We currently work with two SMA managers. One of the managers allows Peak to enter into the agreement on behalf of our clients, while the other requires a direct agreement with the specific client. In both cases, a separate account is set up at the custodian (Charles Schwab) for the assets that will be contributed to the SMA. Within the parameters established the SMA manager selects and executes all security purchases and sales. Peak monitors all account activity and performance and reports the SMA account information on our regular quarterly report to the respective client. If, at any time, Peak no longer believes that the SMA is still a good solution, we will contact the respective client to discuss changes.

### **Retirement Plan Advisory Services**

We make available management services to assist businesses with administration of their participant directed defined contribution retirement plans. The scope of a retirement plan engagement, which may include selecting of investment options, monitoring of these options, and any performance reporting to the plan, is negotiated on a case by case basis in advance and agreed upon contractually.

### **Disclosure Regarding Rollover Recommendations**

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you, the Client, regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

An individual leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) rollover the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, income and other factors, result in adverse tax consequences). Our Firm may recommend an investor rollover plan assets into an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives will earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer that Peak will not provide investment advisory services on, will generally result in no compensation to our Firm (unless our firm has been specifically engaged to manage those assets). Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

### **Newsletters**

We publish a newsletter, Financial Intelligence, that provides general information on various financial topics including, but not limited to, financial planning, estate planning or retirement planning, and economic trends. The information provided is intended to be educational in nature and does not include specific investment or planning recommendations to meet the objectives or needs of any specific individual. Financial Intelligence is distributed free of charge to our advisory clients (as well as to prospective clients, business contacts, friends and relatives).

We also distribute a general client letter with our quarterly account reports to clients. The client letter is intended to provide insight regarding our perspective on the financial markets and economic events. This client letter is distributed free of charge to our advisory clients (as well as to prospective clients, business contacts, friends and relatives).

We also publish and distribute a blog on our website, *The Peak Perspective*. The blog is intended to complement our Financial Intelligence publication and quarterly client letters with additional insights and commentary on financial planning topics, financial markets, and economic events. The information provided is intended to be educational in nature and does not include specific investment or planning recommendations to meet the objectives or needs of any specific individual. The blog is distributed free of charge to our advisory clients (as well as to prospective clients, business contacts, friends and relatives) and can be accessed at any time on Peak’s website or via Peak’s company page on LinkedIn.

### **Wrap Fee Programs**

We do not place Client assets into a wrap fee program.

### **Assets**

As of December 31, 2023, we have \$816,847,480 under discretionary management and \$8,284,820 in non-discretionary assets under management. Our total assets under management are \$825,132,300.

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## **ITEM 5 - FEES AND COMPENSATION**

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### **Advisory Fees and Compensation**

We charge a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. The custodian for your investment account(s) charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The specific advisory fees are set forth in your Agreement. Our firm has a minimum annual investment advisory fee of \$11,250 (which is the same amount as the annual fee calculated under our fee schedule on \$1 million in assets). In limited circumstances, our fees and the timing of the fee payments may be negotiated. For example, an employee’s family related account may be charged a reduced fee for our services.

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management (including cash and cash equivalent assets), according to the following schedule:

<u>Assets under Management</u>	<u>Annual Fee</u>
First \$500,000	1.25%
Next \$500,000	1.00%
Next \$1,500,000	0.75%
Over \$2,500,000	0.50%

25% of the annual fee is invoiced quarterly at the end of the quarter in arrears based on the account value as of the last day of the quarter. All fees for new clients are charged on a pro rata basis, based on the actual number of days under management during the quarter.

At our discretion, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We could do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This



consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee based on the asset levels available in our fee schedule.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. Written authorization will be required from you authorizing the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, you may pay the advisory fees by check. You are encouraged to review your account statements for accuracy.

A client Agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, all fees are charged on a pro rata basis, based on the actual number of days under management during the quarter. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

Financial planning services are included with investment management services for no additional fee for the client.

### **Financial Planning Service Fees**

For clients engaged in our investment management services, our financial planning services are included in advisory fees described above. For clients engaged with our Firm for financial planning services only, financial planning is outlined under a separate agreement with its own fee. The fee will be determined based on factors including, the complexity of the Client's financial situation, the number of financial planning services agreed upon, along with the deliverables provided to the Client by the Adviser. Our stand-alone financial planning fee will be agreed to in advance of services being performed and negotiated with the Client. The fixed fees range from \$2,500 to \$10,000. The specific fee for a Client's financial plan will be discussed with the Client and specified in the Client's planning agreement with Peak. If the Client chooses to terminate the financial planning agreement, they must provide Peak notice within 30 days of the signing of the agreement.

The time to create and complete a financial plan will vary and depend on a number of factors, including the Client having provided all of the necessary and requested information, but typically Peak will be ready to present a plan between 60 and 90 days from the commencement date of the project. Fees are billed and payable at the time the financial plan is delivered to the Client.

### **Company Sponsored Retirement Plan Advisory Services**

For Retirement Plan Advisory Services compensation, we charge an annual fee as negotiated with the client and disclosed in the Retirement Plans Advisory Agreement. The compensation method is explained and agreed upon in advance before any services are rendered. Annual fees range from 0.50% to 1.25%. Advisory fees may be paid directly by the plan sponsor or paid from the plan assets. The amount payable each quarter, calculated as 25% of the annual fee, is charged in accordance with the parameters established by the respective plan administrator. The above fee range applies to company sponsored retirement plans. In instances where we manage an individual 401k account the standard fee schedule for Portfolio Management Services may apply. For Plans where the advisory fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Advisory Agreement.

Either party may terminate the Agreement at any time in accordance with the parameters established by the respective plan Agreement.

### **SMA Sub-Adviser (“SMA”) Fees**

As discussed in Item 4 above, occasionally our firm will recommend utilizing the services of a Sub-Adviser in a “Separately Managed Account” (SMA) for the management of municipal bond portfolios in specific accounts. The fee for the SMA Manager will be deducted directly from the respective account that they are managing through the custodian (Charles Schwab). For clients using SMAs, the total annual maximum investment advisory fees on those SMA accounts are a combination of Peak’s maximum fee of 1.25% plus the maximum SMA’s management fee of 0.25% (or, for accounts subject to our minimum annual fee, it would be \$11,250 plus the SMA’s maximum management fee of 0.25%).

Other SMAs may have higher or lower fees than other programs available through Peak or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums.

### **Administrative Services Provided by Tamarac**

We have contracted with Tamarac to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Tamarac will have access to client information, but Tamarac will not serve as an investment adviser to our clients. Our Firm and Tamarac are non-affiliated companies. Tamarac charges our Firm an annual fee for each account administered by Tamarac. Please note that the fee charged to the client will not increase due to the annual fee our Firm pays to Tamarac; the annual fee is paid from the portion of the management fee retained by our Firm.

There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third- party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

### **Additional Fees and Expenses:**

In addition to the advisory fees paid to us, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

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## **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees).

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## ITEM 7 - TYPES OF CLIENTS

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We provide advisory services to the following types of clients:

- Individuals;
- High net worth individuals;
- Pension, profit sharing plans, and 401k plans;
- Trusts and Foundations; and
- Corporations or other businesses or entities not listed above.

Peak requires an initial minimum portfolio value of \$1,000,000 for new investment advisory clients. In limited circumstances, this minimum portfolio value requirement is negotiable.

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## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*Qualitative Analysis.* We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

*Asset Allocation.* We attempt to identify an appropriate ratio of equity securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp share price increases in a particular security, industry or market sector. Another risk is that the ratio of equity securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

For investments such as Mutual Funds, Exchange Traded Funds (ETFs), and Exchange Traded Notes (ETNs), we look at the experience and the track record of the manager in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also monitor the investments in an attempt to determine if they are continuing to follow their stated investment strategy. As in all investments, past performance does not guarantee future results.

## Investment Strategies

We are generally a long-term oriented investment manager. We primarily provide two different types of portfolio management strategies, one based on individual security selection and the other based on allocating and diversifying assets across mutual funds and ETFs.

Accounts managed according to our individual security selection strategy are diversified and generally consist of allocations to stocks, bonds, and cash or cash equivalents, which can include money market funds and/or Treasury bills. In selecting stocks, we follow a contrarian or “out-of-favor” approach that seeks to take advantage of short-term fluctuations in the stock market. Individual security portfolios generally include approximately twenty-one stocks that meet our value criteria with a three-to-five year investment time horizon. However, we may purchase securities with the idea of selling them within a short period of time, typically one year or less, if we believe that we can take advantage of conditions that will soon result in a price movement. Fixed income investments held in such accounts are generally selected based on financial quality, current yield, and total return characteristics, with maturities selected based on specific time objectives. Finally, cash and cash equivalents are selected based on their relative safety, liquidity, and current yield.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our assumptions are incorrect, a security may decline sharply in value before we make the decision to sell.

Accounts managed according to our mutual fund and ETF strategies are generally diversified across various asset classes which may include U.S. large-capitalization stocks, U.S. mid-capitalization stocks, U.S. small-capitalization stocks, International large-capitalization stocks, emerging markets stocks, commodities, fixed income, and cash equivalents based on the asset allocation recommended in the client’s IPS. We monitor the allocation levels and rebalance portfolios when material shifts in the allocation levels occur.

For our clients that have an interest, we offer the opportunity to incorporate specific Environment, Social, and Governance (ESG) oriented mutual funds, ETFs, and individually screened stocks into portfolio management strategies. ESG strategies integrate qualitative and quantitative screening methods to assess the impact (either positive or negative) that an investment may have on various stakeholders. These factors are incorporated into the broader investment analysis and security selection process. It is important to note that the restrictive nature of ESG investing may represent, at some level, a trade-off between social philosophy and investment returns. For each of our clients that decide to incorporate an ESG component, we seek to find an appropriate balance to meet individual goals and objectives.

We may offer clients a strategy that combines the individual security selection and mutual fund/ETF strategies, or other strategies customized to the client’s investment needs and objectives. Under the appropriate circumstances, we may also recommend the use of margin, short sales, option transactions, and short-term trading in the management of client accounts. All investments in securities involve risk of loss that clients should be prepared to bear.

When purchasing mutual funds, our policy is to select institutional share classes whenever appropriate. The institutional share class generally has the lowest expense ratio relative to other classes. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available, or is not the optimal solution given trading frequency, time horizon or other unique circumstances, the adviser will purchase the least expensive share class available. As share classes with lower expense ratios become available, we may convert the existing mutual fund position to the lower-cost share class.

Additionally, as assets are transitioned from a client's prior advisers to us, clients may hold legacy securities. Legacy securities are those that a client owned prior to or separate from the portfolio managed by our firm.

When selecting investments for our clients' portfolios we might choose mutual funds on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodian's NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian's NTF list or not, we consider our expected holding period of the fund, transaction frequency, the position size and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

### **Third Party Manager Analysis**

Our Firm seeks to recommend an investment strategy that will give a client a diversified portfolio consistent with the client's investment objective. We will analyze various securities, investment strategies, and third party investment management firms if our firm feels the expertise of a particular manager is best suited for our client.

We examine the experience, expertise, investment philosophies and past performance of independent third party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We will monitor the managers' underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of the due-diligence process that is conducted annually, our firm will survey the managers' compliance, business enterprise risks, speak directly with the manager, if accessible, or the firm's research team to determine the manager is still a recommendation of our firm's list of third party managers.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as our Firm does not control the underlying investments in the managers' portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for clients of our firm. Moreover, as we do not control the managers' daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate the Client from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that the Client will lose money and the Client's investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally decline and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Securities Lending Risk** — Securities lending involves the risk that a fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

**Short term trading** — There are additional trading costs and tax consequences associated with short term trading.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Option Risk** — Options on securities are subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.

**Performance of Underlying Managers** — We select the mutual funds and ETFs to help meet specific asset allocations. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

**Cybersecurity Risk** - These risks include both intentional and unintentional events at our Firm or one of its third party counterparties or service providers that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because unknown threats may emerge in the future.

**Leveraged and Inverse ETFs and Mutual Funds** - Leveraged ETFs and mutual funds, sometimes labeled “ultra” or “2x” for example, are designed to provide a multiple of an underlying index’s return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions may be magnified over time. Some deviations from the stated objectives, to the positive or negative, are possible and may or may not correct themselves over time. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs and mutual funds.

**Margin Risk** - When the Client purchases securities, the Client may pay for the securities in full or the Client may borrow part of the purchase price from the Client’s brokerage firm. If the Client chooses to borrow funds through a margin account, securities purchased are the firm's collateral for the loan to the Client. If the securities in the Client’s account decline in value, so does the value of the collateral supporting the Client’s loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities or other assets in any of the Client’s accounts held with the member, in order to maintain the required equity in the account. Investing with margin is characterized by unique risks including amplified losses due to increased leverage; margin calls; forced liquidations; and additional fees including margin interest charges. In order to manage margin risk, we recommend leveraging responsibly (borrowing less than the amount available); keeping a diversified portfolio; and monitoring the account and evaluating risk regularly. Before investing on margin, be sure to read the Margin Disclosure Statement provided by the Client’s custodian.

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## ITEM 9 - DISCIPLINARY INFORMATION

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We do not have any legal, financial or other “disciplinary” items to report.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### **Other Affiliations**

John McCorvie is managing member of McCorvie Financial, LLC, a separate but commonly owned entity that holds Mr. McCorvie's ownership stake with the firm Peak Asset Management, LLC. Mr. McCorvie's Supplemental 2B Brochure offers more detail on his outside entities.

Tara Hefty is managing member of Tara J. Hume Financial Consulting, LLC, a separate but commonly owned entity that holds ownership stake with the firm Peak Asset Management, LLC. Ms. Hefty's Supplemental 2B Brochure offers more detail on her outside entities.

Jason Foster, Peak's Director of Wealth Strategies and Legacy Planning, and Lead Advisor, provides legal services offered through Foster Law, PLLC. Clients of Peak may be referred to Foster Law, PLLC for estate planning and other legal services. This presents a conflict of interest as both firms have an economic incentive to refer clients to each other in lieu of referring clients to other law firms or financial professionals. Although we may recommend a Client use the services of Foster Law, PLLC, the Client is never obligated or required to use their services. There are other law firms that provide legal services similar to those provided by Foster Law, PLLC and may provide such services for less expensive rates. Whenever we recommend Foster Law, PLLC, the Client is encouraged to consider other law firms, and we will actively refer the Client to other law firms as an alternative for these legal services. The services of Peak and Foster Law, PLLC are separate and distinct from one another, each with a separate compensation arrangement typical for the services rendered.

### **Disclosure of Conflicts of Interest**

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates inherent conflicts of interest in the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm, investment advisors, and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our investment advisors and employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.



- we periodically review these outside employment activities of the investment advisor to verify that any conflicts of interest continue to be properly disclosed by the investment advisor; and
- we educate our investment advisors regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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#### **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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The Code of Ethics is designed to protect our clients, detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Peak, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether personnel are complying with the firm's ethical principles.

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for the Client's account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

Our Firm may aggregate trades when our associated persons trade in the same security on the same day as clients as a means to avoid personally benefiting from client trades. If an aggregated trade that includes an associated person's trades is not completed, all client trades must be filled first before any associated person's trades are allocated. If there are not enough shares traded to complete all client trades, the trade will be allocated on a pro-rata basis between the client accounts. When our firm places a block trade in the same security on the same day at different custodians, the manager shall enter trades as equitably as possible to attempt to achieve the best price for all clients in the trade at all custodians.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate any conflicts of interest. Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- 1) No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- 2) No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- 3) No principal or employee may purchase shares in an IPO.

- 4) Any private security investments by principals or employees must be disclosed in writing to our Chief Compliance Officer. (Note: Peak does not invest in private security investments for our clients.)
- 5) We maintain documentation of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- 6) We have established procedures for the maintenance of all required books and records.
- 7) Clients can decline to implement any advice rendered.
- 8) All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 9) We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.

Any individual who violates any of the above restrictions may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## ITEM 12 - BROKERAGE PRACTICES

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### The Custodian and Brokers We Use

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab by entering into account agreements directly with Schwab. The accounts will always be held in the name of the client and never in our Firm's name. Even though clients maintain accounts at Schwab, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

### How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to buy and sell securities for client accounts
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
5. Availability of investment research and tools that assist us in making investment decisions

6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to our Firm and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

### **Client Brokerage and Custody Costs**

For client accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different custodian but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the ticket charges or other compensation the client pays the executing custodian. To minimize these trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

### **Products and Services Available to Us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide our Firm and our clients with access to institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services which help us manage or administer our clients' accounts and help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because there is an incentive to do business with Schwab. This creates a conflict of interest. We recognize the fiduciary responsibility to place clients' interests first and have established policies in this regard to mitigate any conflicts of interest. Following is a more detailed description of Schwab's support services:

### **Services That Benefit Our Clients**

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

### **Services That May Not Directly Benefit Our Clients**

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provides access to client account data (positions, trades, statements, cost basis, etc).
2. Facilitates trade execution and allocates aggregated trade orders for multiple client accounts.
3. Provides pricing and other market data.
4. Facilitates payment of our fees from our clients' accounts.
5. Assists with back-office functions, recordkeeping, and client reporting.

### **Services That Generally Benefit Only Us**

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications or conferences on practice management & business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel. Schwab did provide monetary support toward our Compliance Consultant engagement, Black Diamond subscription and reimbursement of account transfer fees for clients moving accounts to Schwab. Schwab provides these additional services and support to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to Schwab for this. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. The Client should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of the Custodian for custody and brokerage services. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab. We believe that our selection of Schwab as custodian and broker is in the best interest of our clients.

Some of the products, services and other benefits provided by Schwab benefit our Firm and may not benefit our client accounts. Our recommendation or requirement that clients place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

### **Brokerage for Client Referrals**

Our Firm does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

### **Aggregation and Allocation of Transactions**

Peak may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment

advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. Our Firm does not aggregate trades of our personnel with those of client accounts.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

- When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash.
- With respect to sale allocations, allocations may be given to accounts low in cash.
- We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates.
- We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block.
- If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed.
- If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Additionally, we may execute the transactions on a pro-rata basis.
- We will document the reasons for any deviation from a pro-rata allocation.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. We will never benefit or profit from trade errors.

### **Directed Brokerage**

We do not routinely require that the Client direct us to execute transactions through a specified broker dealer. Additionally, we typically do not permit the Client to direct brokerage. We place trades for the Client's account subject to our duty to seek best execution and other fiduciary duties.

### **Fixed Income Trades**

We have full discretion in the selection of brokers or dealers for fixed income trading only. We seek to obtain quality execution for security transactions through brokers and dealers who in our opinion are financially responsible. In selecting a broker or dealer, we may take into account relevant factors with respect to liquidity and execution of the order, as well as the amount of the capital commitment by the broker or dealer. Other relevant factors may include, without limitation: (a) the execution capabilities of the brokers and/or dealers, (b) the size of the transaction, (c) the difficulty of execution, (d) the operations facilities of the brokers and/or dealers involved, and (e) the risk in positioning a block of securities.

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## **ITEM 13 - REVIEW OF ACCOUNTS**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities held within Individual Portfolio Management Services accounts are continually monitored. These accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client activity in Individual Portfolio Management Services accounts are reviewed by the operations department or a portfolio manager of the account(s). Investment management strategy is reviewed on an ongoing basis by a portfolio manager and/or our investment committee. You are urged to notify us of any changes in your personal circumstances.

Retirement Plan Service reviews depend on the scope of the relationship and occur as agreed upon contractually.

### **Statements and Reports**

In addition to the monthly or quarterly statements and confirmations of transactions that the custodian/broker provides to the client, we provide a quarterly statement that includes account performance. The Client is urged to compare the reports provided by our firm against the account statements the Client receives directly from the Client's account custodian.

Retirement Plan Service reports depend on the scope of the relationship and are provided as agreed upon.

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## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

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The Firm receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. Client do not pay more for assets maintained at Schwab as a result of these arrangements. However, the Firm benefits from the referral arrangement because the cost of these services would otherwise be borne directly by us. Client should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12— Brokerage Practices).

### **Schwab Advisor Network (formerly, AdvisorDirect offered through TD Ameritrade)**

*We are no longer active in this Program but do retain legacy clients from our participation in the Program.* Charles Schwab & Co., Inc. Advisor Services ("Schwab") is a discount broker-dealer independent of and unaffiliated with our Firm and there is no employee or agency relationship between them. Schwab has established Schwab Advisor

Network as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. Schwab does not supervise our Firm and has no responsibility for our Firm's management of client portfolios or our other advice or services. We pay Schwab an on-going fee for each successful client referral. For referrals that occurred through Schwab Advisor Network before April 10, 2017, this fee is a percentage (not to exceed 25%) of our Firm's advisory fee that the Client pays to our Firm ("Solicitation Fee"). Our Firm will also pay Schwab the Solicitation Fee on any assets received by us from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired us on the recommendation of such referred client. Our Firm will not charge clients referred through Schwab Advisor Network any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass on Solicitation Fees paid to Schwab to our clients. For information regarding additional or other fees paid directly or indirectly to Schwab, please refer to the Schwab Advisor Network Disclosure and Acknowledgement Form.

Our Firm has agreed not to solicit clients referred to it through Schwab Advisor Network to transfer their accounts from Schwab or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Our participation in Schwab Advisor Network does not diminish its duty to seek best execution of trades for client accounts.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place the Client's interests first and have established policies in this regard to mitigate any conflicts of interest. *Please see item 10 for disclosures regarding Foster Law, PLLC affiliation with Peak.*

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## ITEM 15 - CUSTODY

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Custody, as it applies to investment advisers, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

### **Deduction of Advisory Fees**

We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. For accounts in which we have the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. The Client should carefully review those statements and are urged to compare the statements against reports received from us. When the Client has questions about account statements, the Client should contact our firm or the qualified custodian preparing the statement. The

Client will provide written authorization permitting the fees to be paid directly from the Client account held by the qualified custodian. When fees are deducted from an account, we are responsible for calculating the fee and delivering instructions to the custodian.

### **Standing Letters of Authorization (“SLOA”)**

Our firm is also deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third party (“SLOA”) and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the client accounts we are deemed to have Custody and SLOAs are on file. This is documented by our firm. In addition, account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. The Client should carefully review those statements and is urged to compare the statements against reports received from us. When the Client has questions about account statements, the Client should contact us, the Adviser or the qualified custodian preparing the statement.

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## **ITEM 16 - INVESTMENT DISCRETION**

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For discretionary accounts, the Client will enter a written Agreement with us granting us the authority to supervise and direct, on an on-going basis, investments in accordance with the Client’s investment objective and guidelines. In addition, the Client will need to execute additional documents required by the Custodian to authorize and enable us, in our sole discretion, without prior consultation with or ratification by the Client, to purchase, sell or exchange securities in and for the Client’s accounts. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by the Client to us in writing.

The limitations on investment and brokerage discretion held by our firm for the Client are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. The Client may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from broker-dealers will be used to provide services to all our clients.

**Company Sponsored Retirement Plan Services:** For company sponsored retirement plans, the scope of our discretionary or non-discretionary authority is outlined in the Investment Advisory Agreement with Plan Sponsor.

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## **ITEM 17 - VOTING CLIENT SECURITIES**

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We accept authority to vote proxies with respect to securities owned by clients. Our firm has adopted proxy voting policies and procedures with respect to securities owned by our clients for which we have been specifically delegated voting authority and discretion, in accordance with its fiduciary duties and Securities and Exchange Commission Rule 206(4)-6 under the Investment Advisers Act of 1940, which are reasonably designed to ensure that proxies are voted in the best interest of clients.



To facilitate our proxy responsibilities and assuming the client has designated the authority to Peak Asset Management in the Agreement, we have contracted with Institutional Shareholder Services, Inc. (ISS) to vote all proxies on our behalf.

The guiding principle by which we review voting on all matters submitted to security holders is the maximization of the ultimate economic value of The Client's holdings. We do not permit voting decisions to be influenced in any matter that is contrary to, or dilutive of, this guiding principle. It is the policy to avoid situations where there is any material conflict of interest or perceived conflict of interest affecting the voting decisions. Any perceived conflict of interest is reviewed by the Chief Compliance Officer and the investment committee.

It is the general policy that we vote on all matters presented to security holders in any Proxy, and these policies and procedures have been designed with that in mind. However, we reserve the right to abstain on any particular vote or otherwise withhold a vote on any matter if in the judgment of Peak Asset Management, the costs associated with voting such Proxy outweigh the benefits to the Client, or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the Client, in our judgment.

Clients delegate to Peak Asset Management the discretionary power to vote the securities held in their account pursuant to written Agreement. We do not generally accept any subsequent directions on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party. We view the delegation of discretionary voting authority as an "all-or-nothing" choice for our clients.

Upon request, we will provide separately to each client (i) a copy of our proxy voting policies and procedures and (ii) details as to how the Firm has voted securities in the Client's account.

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#### **ITEM 18 - FINANCIAL INFORMATION**

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This item is not applicable to this brochure. We do not receive or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.