7777 Bonhomme Avenue
Suite 2400
Clayton, MO 63105
(314) 727-5225

Smith, Moore & Co.
Wrap Program

March 31, 2025

www.smithmoore.com

This brochure provides information about the qualifications and business practices of Smith, Moore & Co. ("Smith Moore"), an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact Jaret D. Perryman, Chief Compliance Officer, at (314) 727-5225.

The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether to retain the services of that investment adviser. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment adviser does not imply any level of skill or training. Additional information about Smith Moore also is available on the SEC's website at: www.adviserinfo.sec.gov .

Item 2 – Material Changes

Smith, Moore and Co. is required to advise you of any material changes to the Wrap Brochure ("Wrap Brochure") since the most recent issuance on March 29, 2024. Since that time, we have not made any material updates.

Smith Moore will continue to deliver information to you and our other clients about our qualifications and business practices on an annual basis. We will also provide updated disclosure information about material changes as they occur. As with this brochure, any summaries of changes will include the date of the last annual update of our brochure.

You may obtain a copy of our current brochure at any time and at no charge by contacting Jaret D. Perryman, our Chief Compliance Officer, by phone, at (314) 727-5225 or by e-mail, at jperryman@smithmoore.com.

Additional information about us and about our individual financial advisors is also available via the SEC's website, at: www.adviserinfo.sec.gov.

Information about your individual financial advisor can be found in the supplement to this brochure.

Item 3 – Table of Contents

Item 4 – Wrap Program Services, Fees & Compensation

Smith, Moore and Co.'s ("Smith Moore") principal location is in Clayton, Missouri and is a corporation organized under the laws of the State of Missouri. Smith Moore was founded in 1913 and has functioned since that time as a broker-dealer firm registered with the SEC and the Financial Industry Regulatory Authority ("FINRA"). We became registered with the SEC as an investment advisory firm in 2007.

Your Smith Moore financial advisor ("advisor") will collaborate with you to identify your investment goals, objectives, and risk tolerances to structure an investment account and an ongoing investment strategy that they believe is most appropriate for you. Smith Moore, through its advisors, manages assets on a discretionary and non-discretionary basis, for many diverse types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the best interest of our clients. Our firm has established a service-oriented advisory practice with open lines of communication. Collaborating with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

The Smith Moore wrap fee program requires clients pay a fee for investment advice of the financial advisor. Additionally, Smith Moore, the registered investment adviser, charges an administrative service charge separate from the wrap fee to cover the operational, non-execution expenses associated with offering the Smith Moore wrap program. ***Because our firm assesses this administrative service charge, an incentive exists to promote the services of the Smith Moore wrap program and to trade in client accounts for the generation of revenue that directly benefits Smith Moore.*** These incentives create conflicts of interests that Smith Moore manages through its compliance oversight program.

In our capacity as an investment adviser, we contract the services of the Royal Bank of Canada Clearing & Custody ("RBC") as the custodian of our client accounts. RBC will hold your investment assets and will issue transaction confirmations and account statements reflecting the activity in your account. The account(s) will bear certain custodial costs of RBC as described in *Other Types of Fees and Expenses*.

Depending on the account of the client or its portfolio trading activity, clients may pay more for using our wrap fee services than they would for obtaining execution and other services separately. Your advisor can assist you in obtaining this information on the use of wrap services as may be necessary.

Our Wrap Advisory Services

Portfolio Management:

Our portfolio management service encompasses asset management as well as providing financial planning and financial consulting to clients. It is designed to assist clients in meeting their financial goals using financial investments. We conduct at least one, but sometimes more than one meeting with clients to understand their current financial situation, existing resources, financial goals, and tolerance for risk to propose an investment account and an ongoing investment strategy your financial advisor believes is most appropriate for you.

We may propose an investment portfolio, consisting of stocks, mutual funds, exchange-traded funds ("ETFs"), corporate and government bonds, options and alternative investments such as limited partnerships, structured products, interval funds and real estate investment trusts ("REITs"). Upon the client's agreement with the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least quarterly. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to their financial or personal circumstances, it is imperative the client notify us so we can consider such information in managing the investments and strategy.

Fee Schedule:

a) The minimum and maximum annual fee for investment advice to be charged to the client's account(s) will generally range between 0.5% (one-half of a percent) and 3.0% (three percent) and will not exceed 3.0%. The fee to be assessed to each account will be detailed in the client's signed advisory agreement with Smith Moore.

b) Our fees are negotiable at our sole discretion. Factors that could affect the amount of the fees we charge include but are not limited to: (a) the amount of assets to be managed, (b) the types of investment assets to be managed, (c) the complexity of your portfolio, and (d) the size and number of other accounts maintained with us by you and/or your family members.

c) Smith Moore charges our investment management fees "in arrears," meaning that we charge our fees after we have provided our services to you. Because our fees are charged quarterly, they are calculated based on the number of days during the quarter that our advisory agreement with you was in effect.

d) You provide authorization permitting the calculated fees to be paid by the terms detailed herein and within your investment advisory agreement.

e) You are encouraged to review your RBC statements to verify the accuracy of the calculation of our fees.

Smith Moore Administrative Service Fee

In addition to the fee for investment advice by your financial advisor, which is an asset-based fee, client(s) participating in the Smith Moore wrap program will additionally pay an administrative service charge. This service charge is retained by Smith Moore and is not generally an additional form of compensation to your financial advisor. Rather, this fee supports the operational expenses of Smith Moore in providing the wrap program to its clients.

This charge is $5.50 and is assessed on a transactional basis for all trade activity within the wrap program account except in the instances of periodic investment plans (PIPs"), systematic withdrawal investment plans (SWIPs), and same family mutual fund exchanges. This charge is noted on your trade confirmations for additional clarity and understanding. ***Because our firm assesses this administrative service charge, an incentive exists to promote the services of the Smith Moore wrap program and to trade in client accounts for the generation of revenue that directly benefits Smith Moore. These incentives create conflicts of interest that Smith Moore manages through its compliance oversight program.***

Other Types of Fees & Expenses:

In addition to our advisory fees above, Clients may also pay charges imposed by the chosen investments, charges imposed directly by a mutual fund, index fund, exchange traded fund, and other investments which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, surrender charges, variable annuity fees, and other fund expenses). **Smith Moore does not receive a portion of these fees.**

Smith Moore does receive compensation as part of their clearing agreement with RBC, from mutual fund networking fees, annual IRA account fees, bank deposit, money market, credit interest, margin and credit access line programs.

Smith Moore does not utilize funds that impose 12(b)-1 fees within its wrap program. In any instance where a 12(b)-1 fee has been assessed to an account within the program, Smith Moore will ensure a proper refunding event occurs.

RBC will charge additional items related to their services provided as custodian to your account(s). These charges may include items such as:

- Custodial fees.
- Transaction-related fees (i.e., wire transfer fees or transfer taxes)
- Credit access line interest
- IRA and Qualified Retirement Plan Fees.
- Other fees and taxes applicable to certain accounts and transactions.

Mutual Fund Share Class Selection:

Mutual funds typically offer multiple share classes available for investment based upon certain eligibility and purchase requirements. For instance, in addition to the more commonly offered retail mutual fund share classes (typically, Class A, B and C shares), mutual funds may also offer institutional, or advisor share classes (the "lower cost share classes") or other share classes designed for purchase in an account enrolled in investment advisory programs. These lower cost share classes usually have a lower expense ratio than other shares classes. In addition, lower cost share classes often do not charge a 12(b)-1 fee. Smith Moore will utilize the most appropriate mutual fund share classes available with RBC for its portfolio allocations in support of its fiduciary duty to recommend options in the best interest of its client(s). Smith Moore does not receive or accept 12(b)-1 fees on its advisory accounts and any 12(b)-1 fees incorrectly received will be rebated back to the affected account(s).

Clients, when participating in our wrap program, should understand that a transaction charge for mutual fund and exchange traded fund ("ETF") purchases and redemptions may occur in accordance with the custodial agreement. The transaction charge varies depending on the amount of recordkeeping fees received by RBC from the mutual fund or ETF and/or whether the sponsor of the mutual fund or ETF participates in a No Transaction Fee ("NTF") Network. When an NTF mutual fund or ETF is purchased in a client's account, the NTF fund's sponsor directs a payment to RBC on behalf and for the benefit of the client that is used exclusively as a credit to defray the transaction charge obligations of the client's account. When an NTF fund is sold, the custodian / broker-dealer waives the transaction charge to the account. *Clients also should be aware that NTF funds may have higher ongoing internal expenses that can be used to offset payments made by sponsors for transaction charge waivers, and this can reduce the investment returns over time relative to other share classes of the same fund.*

If the account is being managed directly by an IAR of Smith Moore, the due diligence and evaluation of share class will be the responsibility of the IAR.

Wrap Fee Program Recommendations

We do not recommend or offer the wrap program services of other providers.

Item 5 – Account Requirements and Types of Clients

Types of clients we typically manage wrap fee accounts on behalf of, include:

- Individuals and High Net Worth Individuals.
- Trusts, Estates, or Charitable Organizations.
- Pension and Profit-Sharing Plans.
- Corporations, Limited Liability Companies, and Other Business Types.

We do not generally require that you have a minimum investment amount to establish an advisory relationship with us. Notwithstanding, our Open Architecture Advisory Plan includes a minimum investment management fee ($400 annually unless exceptions apply) to open and maintain an account, which is set forth in the investment advisory agreement. We may, however, recommend you consider establishing a traditional brokerage account if it appears it would be more economically beneficial to you than a fee-based account (for example, if your investment account is relatively small and/or there would be limited investment activity in the account). For certain strategies, Smith Moore does have a required minimum investment for participation. These minimums are as follows:

Open Architecture: When using Smith Moore's Open Architecture platform, the advisor may select specific investments and strategies for your account to meet account objectives using the securities offerings available through RBC. The advisor will provide personalized investment advisory solutions for their clients through ongoing contact and interaction while providing discretionary and non-discretionary investment management and related advisory services. The advisor will work closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation to create a portfolio strategy and will then construct an investment portfolio using available options that meet the best interest of the Client considering all discussed factors. Aside from mutual funds or ETFs, the advisor may also utilize individual stocks, bonds, options contracts or various other investments to meet the needs of its clients. The Advisor may retain certain types of investments based on a client's legacy investments and based on portfolio fit and/or tax considerations.

Item 6 – Portfolio Manager Selection and Evaluation

The investment adviser representatives ("IARs") of Smith Moore act as portfolio manager(s) for this wrap fee program. A conflict arises in that other investment advisory firms may charge the same or lower fees than Smith Moore for similar services. IARs are subject to individual licensing requirements as imposed by state securities boards and Smith Moore is required to confirm or update each IAR's Form U4 on an annual basis.

Supervision is the responsibility of the branch manager / supervisory principal for the IAR. The supervisory principal for each IAR will be identified on the ADV Part 2B – IAR Brochure

Supplement. General oversight of the supervisory activities is detailed in the Smith Moore Written Supervisory Procedures and is conducted by our Chief Compliance Officer or qualified designee(s).

Advisory Business:

See Item 4 for information about our wrap program. We offer individualized investment advice to clients utilizing our portfolio management service. Each client can place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account or based upon the program elected. Restrictions would be limited to our portfolio management service. Smith Moore and its IAR reserve the right to terminate advisory services or to not initiate advisory services for any client if the requested restrictions are deemed unreasonable and beyond the firm capacity to employ. We do not manage assets through our other services.

Participation in Wrap Fee Programs:

We only offer wrap program accounts to our clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, and risk tolerance.

Performance-Based Fees & Side-By-Side Management:

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

Methods of Analysis, Investment Strategies & Risk of Loss:

The following methods of analysis and investment strategies may be utilized in formulating our investment advice and managing client assets, provided that such methods and strategies are appropriate to the needs of the client and consistent with the best interest of the client considering their investment objectives, risk tolerance, and time horizons, among other considerations.

General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect prices and income.

The prices of, and the income generated by, most debt securities held by a client's account may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities in the client's account generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call" or refinance a security before its stated maturity, which may result in our firm having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have higher rates of interest and may be subject to greater price fluctuations than shorter maturity debt securities. Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken, and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

The guarantee of a security backed by the U.S. Treasury, or the full faith and credit of the U.S. government only covers the timely payment of interest and principal when held to maturity. This means that the current market values for these securities will fluctuate with changes in interest rates.

Investments in securities issued by entities based outside the United States may be subject to increased levels of the risks described above. Currency fluctuations and controls, different accounting, auditing, financial reporting, disclosure, regulatory and legal standards, and practices could also affect investments in securities of foreign issuers. Additional factors may include expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs.

Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions, or in receiving payment of dividends can increase risk.

Methods of Analysis

Securities analysis methods rely on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. There is always a risk that our firm's analysis may be compromised by inaccurate or misleading information.

Our financial advisors select specific investments for your investment account using fundamental analysis, technical analysis, and charting.

Fundamental Analysis: The analysis of a business's financial statements (usually to analyze the assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches: *bottom-up analysis and top-down analysis.*

The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the share.

Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security. Technical analysis maintains that all information is reflected already in the price of a security.

Technical Analysis: A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions.

Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume,

advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

In short, technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement.

Charting: Charting involves identifying patterns in the prices of securities that can suggest future activity in price movements. A chart pattern is a distinct formation that provides an indicator of potential future price movements. Chartists use these patterns to identify current trends and trend reversals that can trigger buy and sell signals.

Investment Strategies & Asset Classes

Investment strategies of our financial advisors may include investing on a long-term basis, a short-term basis, or both. As previously noted, you may place reasonable restrictions on the strategies to be employed by your financial advisor in your account.

Although your financial advisor will manage your account consistent with your specific investment objectives and risk tolerance, there can be no guarantee that those efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance both positively and negatively.

We cannot guarantee positive performance. You should be prepared to bear the risk of loss. Investments are subject to the potential for loss, including loss of principal, reduction in earnings, (interest, dividends, and other distributions) and the loss of future earnings.

Asset Allocation: The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals, and investment period. Asset allocation is based on the premise that different assets perform differently in different market and economic conditions. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of expected return. Although risk is reduced if correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An **asset class** is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are **stocks** (value, dividend, growth, or sector-specific [or a "blend" of any two or more of the preceding]; large-cap versus mid-cap, small-cap or micro-cap; domestic, foreign [developed], emerging or frontier markets), **bonds** (fixed income securities more generally: investment-grade or junk [high-yield]; government or corporate; short-term, intermediate, long- term; domestic, foreign, emerging markets), and **cash or cash equivalents**.

Allocation among these three provides a starting point. Usually included are hybrid instruments such as convertible bonds and preferred stocks, counting as a mixture of bonds and stocks. Other alternative assets that may be considered include: commodities: precious metals, nonferrous metals, agriculture, energy, others.; Commercial or residential real estate (also REITs); Collectibles such as art, coins, or stamps; insurance products (annuity, life settlements, catastrophe bonds, personal life insurance products, etc.); derivatives such as long-short or market neutral strategies, options, collateralized debt, and futures; foreign currency; venture capital; private equity; and/or distressed securities.

There are several types of **asset allocation strategies** based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are strategic, dynamic, tactical, and core-satellite.

- Strategic Asset Allocation: The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long- term investment horizon. Strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.
- Dynamic Asset Allocation: Dynamic asset allocation is like strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- Tactical Asset Allocation: Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes.
- Core-Satellite Asset Allocation: Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

Debt Securities (Bonds): Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

Certain additional risk factors relating to debt securities include: (a) When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.; (b) Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.; (c) Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities are affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices. (d) Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an

issuer exercises these provisions in a lower interest rate market, the account will have to replace the security with a lower yielding security, resulting in decreased income to investors. Usually, a bond call occurs at or close to par value. This subjects investors that paid a premium for their bond risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.; (e) If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.; (f) There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

Exchange Traded Funds ("ETFs"): An ETF is a type of investment company (usually, an open-end fund or unit investment trust) whose primary objective is to achieve the same return as a particular market index. Most ETF are designed to track an index, so their performance is close to that of an index mutual fund, but they are not exact duplicates. A tracking error, or the difference between the returns of a fund and the returns of the index, can arise due to differences in composition, management fees, expenses, and handling of dividends. ETFs benefit from continuous pricing; they are bought and sold on a stock exchange throughout the trading day. Because ETFs trade like stocks, you can place orders just like with individual stocks - such as limit orders, good- until-canceled orders, stop loss orders etc. They can also be sold short. Traditional mutual funds are bought and redeemed based on their net asset values ("NAV") at the end of the day. ETFs are bought and sold at the market prices on the exchanges, which resemble the underlying NAV but are independent of it. However, arbitrageurs will ensure that ETF prices are kept very close to the NAV of the underlying securities. Although an investor can buy as few as one share of an ETF, most buy in board lots. Anything bought in less than a board lot will increase the cost to the investor. Anyone can buy any ETF no matter where in the world it trades. This provides a benefit over mutual funds, which generally can only be bought in the country in which they are registered.

One of the main features of ETFs are their low annual fees, especially when compared to traditional mutual funds. The passive nature of index investing, reduced marketing, and distribution and accounting expenses all contribute to the lower fees. However, individual investors must pay a brokerage commission to purchase and sell ETF shares; for those investors who trade frequently, this can significantly increase the cost of investing in ETFs. That said, with the advent of low-cost brokerage fees, small or frequent purchases of ETFs are becoming more cost efficient.

Fixed Income: Fixed income is a type of investing for which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed-income investors are typically retired individuals who rely on their investments to provide a regular, stable income stream. This demographic tends to invest heavily in fixed-income investments because of the reliable returns they offer. Fixed-income investors who live on set amounts of periodically paid income face the risk of inflation eroding their spending power.

Some examples of fixed-income investments include treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds, and international bonds. The primary risk associated with fixed-income investments is the borrower defaulting on his payment. Other considerations include exchange rate risk for international bonds and interest rate risk for longer- dated securities. The most common type of fixed-income security is a bond. Federal governments, local municipalities, and major corporations issue bonds. Fixed-income securities are suitable for investors seeking a diverse portfolio; however, the percentage of the portfolio dedicated to fixed income depends on your own personal investment style. There is also an opportunity to diversify the fixed-income component of a portfolio. Riskier fixed-income products, such as junk bonds and longer-dated products, should comprise a lower percentage of your overall portfolio.

The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed- income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it must lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value.

Individual Stocks: A common stock is a security that represents ownership in a corporation. Holders of common stock exercise control by electing a board of directors and voting on corporate policy. Investing in individual common stocks provides us with more control of what you are invested in and when that investment is made. Having the ability to decide when to buy or sell helps us time the taking of gains or losses. Common stocks, however, bear a greater amount of risk when compared to certificate of deposits, preferred stock, and bonds. It is typically more difficult to achieve diversification when investing in individual common stocks. Additionally, common stockholders are on the bottom of the priority ladder for ownership structure; if a company goes bankrupt, the common stockholders do not receive their money until the creditors and preferred shareholders have received their respective share of the leftover assets.

Long-Term Purchases: Our firm may buy securities for your account and hold them for a long time (more than a year) in anticipation that the value will appreciate over a long horizon. The risk of this strategy is that our firm could miss potential short-term gains that could have been profitable to your account, or it's possible that the value may decline sharply before our firm decide to sell.

Mutual Funds: A mutual fund is a company that pools money from many investors and invests the money in a variety of differing security types based on the objectives of the fund. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value ("NAV") plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which is calculated daily after market close.

The benefits of investing through mutual funds include: (a) Mutual funds are professionally managed by an investment adviser who researches, selects, and monitors the performance of the securities purchased by the fund; (b) Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as "Don't put all your eggs in one basket." Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.; (c) Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.; and (d) At any time, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption.

Mutual funds have certain features some investors might view as disadvantages: (a) Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.; (b) Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.; and (c) With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. Mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit and cannot use losses to offset these gains.

Options: An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of a particular security.

Call Option: Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares if the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.

Put Option: Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who shorts a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Short-Term Purchases: When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm will do this to take advantage of conditions that our firm believe will soon result in a price swing in the securities our firm purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated may add risk to the value of a security. Currency risk is greater for shorter-term investments, which do not have time to level off like longer term foreign investments.

Short Sales: A short sale is a transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future. These transactions have several risks that make it highly unsuitable for the notice investor. This strategy has a slanted payoff ratio in that the maximum gain (which would occur if the shorted stock was to plunge to zero) is limited, but the maximum loss is theoretically infinite (since stocks can in theory go up infinitely in price). The following risks should be considered: (1) In addition to trading commissions, other costs with short selling include that of borrowing the security to short it, as well as interest payable on the margin account that holds the shorted security. (2) The short seller is responsible for making dividend payments on the shorted stock to the entity from whom the stock has been borrowed. (3) Stocks with very high short interest may occasionally surge in price. This usually happens when there is a positive development in the stock, which forces short sellers to buy the shares back to close their short positions. Heavily shorted stocks are also susceptible to "buy-ins," which occur when a broker closes out short positions in a difficult-to-borrow stock whose lenders are demanding it back. (4) Regulators may impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure. Such actions can cause a spike in stock prices, forcing the short seller to cover short positions at huge losses. (5) Unlike the "buy-and-hold" investor who can afford to wait for an investment to work out, the short seller does not have the luxury of time because of the many costs and risks associated with short selling. Timing is everything when it comes to shorting. (5) Short selling should only be undertaken by experienced traders who have the discipline to cut a losing short position, rather than add to it hoping that it will eventually work out.

Trading: Our firm purchase securities with the idea of selling them very quickly (typically within 30 days or less). Our firm does this to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor and may involve a high volume of trading activity. Each trade generates a commission and the total daily commission on such a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase, and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. In addition, the methods of analysis, investment strategies and assets classes may have certain associated risks. Below are some of the common factors that can produce a loss in a client's account and/or in a specific investment product, asset category or even in all asset categories:

Business risk: Risks associated with a particular industry, or a specific company may impact the value of investments.

Currency risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

Capital Risk: Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk, and the loss of capital is a risk for any investment instrument.

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

Category or Style Risk: During various periods of time, one category or style may underperform or outperform other categories and styles.

Concentration risk: This is the risk of loss because your money is concentrated in one investment or type of investment. When you diversify your investments, you spread the risk over several types of investments, industries, and geographic locations.

Credit risk: The risk that the entity or company that issued the investment will run into financial difficulties and will not be able to pay the interest or repay the principal at maturity.

Economic Risk: The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a sizable portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk.

Financial Risk: This risk means that a company with excessive borrowing or that takes significant business risks to generate profit is typically at a greater risk of financial difficulty or failure. Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment.

Fixed Income Securities Risk: Typically, the values of fixed-income securities change inversely with prevailing interest rates. Therefore, a fundamental risk of fixed-income securities is interest rate risk, which is the risk that their value will generally decline as prevailing interest rates rise. What a specific fixed income securities may react to changes in interest rates will depend on the specific characteristics of each security. Fixed-income securities are also subject to credit risk, prepayment risk, valuation risk, and liquidity risk.

Horizon risk: The risk your investment time horizon may be shortened due to a foreseen or unforeseen event requiring you to sell the investment(s) that you were expecting to hold for a longer term. If you must sell at a time when the markets are down, you may lose money.

Inflation Risk: Inflation means a dollar today buys more than a dollar next year. When inflation is present, your purchasing power typically decreases at the rate of inflation.

Interest Rate Risk: This is the risk that fluctuations in interest rates generally cause investment values to fluctuate.

Legal/Regulatory Risk: Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk: Certain assets may not be readily converted into cash or may have a limited market in which they trade. Liquidity means the ability to readily convert an investment into cash. Assets which have many purchasers are generally more liquid.

Manager Risk: This is the risk that an actively managed mutual fund, exchange traded fund, or closed-end fund's manager will fail to execute the fund's stated investment strategy. There is always the possibility poor security selection will cause your investments to underperform relative to benchmarks or other funds with a similar investment objective.

Market Risk: External factors independent of a security's particular underlying circumstances may impact its value. The value of a security may drop in reaction to tangible and intangible events and conditions, such as a political or social event or an economic condition.

Reinvestment risk: The risk that future proceeds from investments may be reinvested at a potentially lower rate of return is reinvestment risk. This risk primarily relates to fixed income securities.

Past Performance: Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. Technical analysis often involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Voting Client Securities:

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. If proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write, or email us to discuss questions they may have about proxy votes or other solicitations.

Item 7 – Client Information Provided to Portfolio Managers

All accounts are managed by a properly licensed IAR of Smith Moore. The IAR managing the client's account(s) or portfolio(s) will have access to the client's investment goals and objectives, risk tolerance, restrictions placed on the management of the account(s) or portfolio(s) and relevant client notes taken by Smith Moore. Please see the Smith Moore Notice of Privacy Policies for more information on how our firm utilizes client information.

Item 8 – Client Contact with Portfolio Manager(s)

Clients are always free to directly contact their IAR or an officer of Smith Moore with any questions or concerns they have about their portfolios or other matters.

Item 9 – Additional Information

Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are no disciplinary matters that we believe would be material to your evaluation of our business or the integrity of our management.

Financial Industry Activities & Affiliations

In August 2021, Smith Moore received a one-time cash incentive payment from its clearing firm, RBC. This payment is being used to offset infrastructure and operational expenses payable to RBC as a fully disclosed correspondent firm. Additionally, Smith Moore receives an ongoing annual marketing and recruiting incentive from RBC.

This presents a conflict of interest in that we have an incentive to effect transactions or encourage you to engage in transactions to generate more fees rather than solely based on your needs.

We are committed to always acting in your best interests and we regularly monitor the interaction between our advisory representatives and their clients to identify and address potential conflicts of interest.

Smith Moore is registered with the SEC and FINRA as a broker-dealer firm. All our financial advisors are qualified and registered to additionally function as registered representatives of Smith Moore, the broker-dealer. They are compensated for these services through commissions or markups/markdowns that are charged to clients on each individual transaction.

Many of our financial advisors are additionally licensed to sell insurance products through various insurance companies with which we have selling agreements. They are compensated through commissions paid by the insurance companies that issue the insurance products sold.

You are under no obligation to utilize the services of your financial advisor in the purchase or sales of securities or insurance products in their capacity as a registered representative or a licensed insurance agent. Any transactions you effect through your financial advisor in either of those capacities, however, will likely result in compensation to your financial advisor and to Smith Moore in the form of commissions and other transaction-related compensation.

The securities brokerage and insurance services offered by our financial advisors are separate from the investment advisory services they offer. Generally, you will not be charged commissions or markup/markdowns on the transactions effected through your investment advisory relationship with us.

Your financial advisor will not exercise discretion in your account to purchase investments which include a commission or markup/markdown. If your account is managed on a non-discretionary basis, in rare instances, your financial advisor may be unable to recommend the purchase of an investment product that does not include a commission or markup/markdown. In such instances, your financial advisor will obtain your prior written authorization before effecting such a transaction in your account.

As explained under the *Services, Fees, and Compensation* section of this brochure, you could be charged for certain costs associated with the execution and clearing of certain transactions effected in your investment advisory account. Your advisor will provide you with a schedule reflecting those charges. A conflict of interest arises as commissionable securities sales may create an incentive to recommend products based on the compensation earned and may not necessarily be in the best interest of the client.

Additional conflicts of interest exist in directing business to Smith Moore, the broker-dealer, as compensation received will increase the revenues to Smith Moore overall.

Code of Ethics, Participation, or Interest in Client Transactions & Personal Trading

We recognize that the personal investment transactions of members and employees of Smith Moore demand the application of a Code of Ethics ("Code") and require all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. We have adopted the Smith Moore Code to address the securities-related conduct of our financial advisors and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- The duty always to place your interests ahead of Smith Moore.
- That all personal securities transactions of our financial advisors and employees be conducted in a manner consistent with our Code and avoid conflicts of interest, both actual or potential, or any abuse of a position of trust by either an employee or financial advisor.
- Financial advisors may not take advantage of their positions.
- Information concerning the identity of your security holdings and financial circumstances are confidential.
- Independence in the investment decision making process is paramount.

We will provide you a copy of the Smith Moore Code of Ethics upon request.

Smith Moore could buy or sell securities for our own account(s) that we also recommend to you. Similarly, our financial advisors and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account. Such transactions for our account and for the personal investment accounts of our financial advisors and employees may raise potential conflicts of interest. We have adopted policies and procedures to address these conflicts of interest. These policies and procedures (1) require that we, our financial advisors, and our employees act in your best interest, (2) prohibit favoring one client over another, and (3) provide for the regular review of transactions to ensure that your interest has precedence over the personal interests of your financial advisor.

While there is no standard that applies in every case, in general when your financial advisor receives a better price on the purchase or sale of a security for their own account on the same day that they also effected in your account, you will generally receive a better or comparable price unless there are extenuating circumstances. Our financial advisors and employees must follow our procedures when purchasing or selling the same securities purchased or sold for clients.

To monitor compliance with our personal trading policies, we have a quarterly securities transaction reporting system for our employees and advisors. Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

Review of Accounts

Your financial advisor will regularly review your account to ensure that your investments and investment strategies are suitable for you. Your financial advisor will contact you at least annually (or more often as agreed upon with you) to review your account and to update your financial status, goals, objectives, and risk tolerance.

These reviews also consider any investment restrictions you have requested and how your investments meet your investment time horizons, liquidity needs, tax considerations and other circumstances unique to you. Changes in your investments and your investment strategies will be made by your financial advisor as they are deemed appropriate.

As previously noted, we strongly encourage you to inform your financial advisor of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you. In addition to the reviews done by your financial advisor, our Compliance Department, under the direction of our Chief Compliance Officer, monitors client accounts on an on-going basis to ensure that the investments and transactions in those accounts are consistent with the information we have been provided.

Client Referrals & Other Compensation

Payments for referrals will be disclosed directly to the referred client. We do not receive any other fees or compensation relating to the investment advisory services we provide to our clients other than as described above in this brochure.

Investment or Brokerage Discretion

We offer our advisory services on a discretionary and non-discretionary basis. We may only exercise discretion if you have provided authority to us in writing. This authorization is included in the investment advisory agreement you execute with Smith Moore.

The discretionary authority granted to us does not provide us with the ability to withdraw funds from your account other than to withdraw our advisory fees, which also may only be done with your prior written authorization. We will exercise discretion in your investment account in a manner consistent with the stated investment objectives for your account.

Suggestion of Brokers to Clients

With the recommendation of our wrap program, we additionally recommend the custodial services of RBC. All of our representatives are also associated with Smith Moore's broker-dealer. As a result of the individual association of our representatives with the broker-dealer, we will recommend the brokerage services of Smith Moore for certain accounts. Our general policies relative to the execution of client securities brokerage transactions are as follows:

Execution of Transactions

In seeking best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. RBC takes into consideration the full range of services including execution capability, commission rates, and responsiveness in their evaluation of best execution for clients in the Smith Moore wrap program. In those instances, in which your financial advisor manages your investment account, our clearing firm, RBC, will execute all transactions for your account. We test the quality of order executions to ensure that you are receiving the best available execution on transactions in your investment account.

We could engage in "bunched trading," which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all the transactions in each bunch were executed. If the order is not filled entirely, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for non-discretionary client accounts are generally not bunched with transactions for discretionary client accounts. Transactions for the accounts of our financial advisors and employees may be included in bunched trades. They will receive the same average price as clients. Transactions for the accounts of our financial advisors or employees will not be favored over transactions for client accounts.

We are not obligated to include any client transaction in a bunched trade. Bunched trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with the client's investment advisory agreement. No client will be favored over any other client.

You can direct us in writing to use another securities brokerage firm or another financial institution (such as the trust department of a bank) to execute some or all the transactions for your investment advisory account. If you do so, the transaction fees and other expenses you are charged could be more or less than what we charge.

When you direct us to execute transactions for your investment advisory account through another securities brokerage firm, you will be responsible for negotiating the terms and arrangements for the account with that firm. This includes negotiating transaction charges, obtaining volume discounts, and ensuring best execution among other considerations.

Additional Compensation and Client Referrals

Payments for referrals will be disclosed directly to the referred client. Such referrals will be done under a written agreement, in accordance with the Smith Moore policies and procedures regarding marketing efforts, and SEC Rule 206(4)-1 governing these activities.

We do not receive any other fees or compensation relating to the investment advisory services we provide to our clients other than as described above in this brochure. See *Industry Affiliations in Item 9* to view detail on compensation received by Smith Moore and its IAR in other industry capacities.

Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than $1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.