

PART 2A of FORM ADV

For

Charlesworth & Rugg, Inc. dba
Highline Wealth Partners



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This brochure provides information about the qualifications and business practices of Charlesworth & Rugg, Inc. dba Highline Wealth Partners (“Highline” or “HWP”). If you have any questions about the contents of this brochure, please contact us at (818) 340-0157. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Highline is a registered investment adviser. However, being a registered investment adviser does not imply a certain level of skill or training and does not guarantee investment performance.

Additional information about Highline is also available on the SEC’s public disclosure website at www.adviserinfo.sec.gov by searching our firm name or CRD Number: 284712

Item 2. Material Changes

This Brochure is dated September 20, 2023. This section will point out material changes to this document since the last published version, which was dated March 1, 2023.

- TD Ameritrade, a client account custodian broker-dealer used by Highline clients, was acquired by Charles Schwab in 2022, and all TD Ameritrade accounts were transitioned to Charles Schwab by September 5, 2023. Highline has removed TD Ameritrade from this Brochure as a client account custodian broker-dealer.

There have been no other material changes to this Brochure since the March 1, 2023 Brochure.

Please feel free to contact Highline's office if you have any questions. Ms. Sternberg can be reached at (818) 340-0157 or lisa@highlinewp.com.

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Item 4. Advisory Business

Firm Overview

A. Description of Firm

Highline Wealth Partners (“Highline”) is a Los Angeles, California-based investment advisory firm, founded in 1976 under the name of Charlesworth & Rugg, Inc. Now known as Charlesworth & Rugg, Inc. dba Highline Wealth Partners (“Highline”), Highline offers financial planning and investment management services to individuals, high net worth individuals, trusts, estates, foundations, pension and profit-sharing plans, and various business entities like corporations, partnerships, nonprofits, and limited liability companies.

The Firm is currently registered with the U.S. Securities and Exchange Commission (“SEC”) as an investment adviser and conducts business in states where Highline is either “notice filed” or exempt from registering or notice filing. Our registration and notice filing status can be found in Part 1 of the Firm’s Form ADV, a copy of which can be found on www.adviserinfo.sec.gov. Jonathan Rugg, CFA, is the majority owner and President of the Firm.

B. Types of Advisory Services Offered

Highline provides advice to clients with respect to the purchase and sale of no-load and/or load-waived mutual funds, exchange traded funds (ETFs), interval funds, closed end funds, individual bonds, individual stocks, new client’s existing securities, or any other investments deemed appropriate by the investment committee (collectively, the “Investments”). Additionally, Highline provides information on certain less liquid, alternative investment vehicles for investors who meet the regulatory qualifying requirements for investment in those strategies. This mandate is captured in the Firm’s Investor Services, Private Wealth Management, and Family Office services (collectively referred to as the “Individual Services”).

Additionally, the Firm offers Financial Planning Services which can be a stand-alone consulting service or a complement to any of the Individual Services. This service includes an in-depth analysis of a client’s financial and life objectives, current financial position, financial strengths and weaknesses, and various financial planning components agreed upon by the client and advisor. These components include investment planning, estate planning, retirement planning, education planning, income tax planning and risk management planning activities.

Finally, Highline offers corporate consulting services called Corporate Services. This service provides advice and recommendations to business owners with respect to 401(k) and other ERISA retirement plan sponsors, non-qualified deferred compensation plans, stock option plans, executive financial planning, and other risk management, corporate benefits, or tax strategies. This service does not provide personal investment advice to individual plan participants within the plans offered by the plan sponsor.

Across all Individual Services, Highline is given limited authority to direct a custodian designated by the client, normally a discount brokerage firm, bank trust department, or trust company, to invest client assets into securities which we select. In some cases, clients give us limited investment authority to allocate assets under our advisement or management among funds in one or more specific fund families. Finally, a client within the Individual Services may engage us to provide investment advice on a non-discretionary basis, with the client implementing or directing all investment decisions for the account.

For all Individual Services, our goal is to help achieve the investment objective(s) of each client. Client portfolios are monitored, and transactions are implemented in accordance with the previously determined suitability, risk tolerance, and investment objective(s) of each client. We ask clients within these programs to provide us with important background information such as the additional assets and investments they may own as well as other relevant financial, personal and family circumstances. On occasion, clients within any program may impose restrictions on the purchase or sale of certain securities. We rely upon written (or certain verified electronic) notification from clients whenever important changes occur in this background information, or with any restrictions placed on the purchase or sale of certain securities.

For Corporate Services, Highline typically recommends to the company plan sponsor a list of mutual funds and model portfolios for inclusion within the plan for all qualified and non-qualified plans. After obtaining the plan sponsor's approval, the Firm may then direct the plan record-keeper to implement the recommendations by making this pre-approved list of funds and model portfolios available to plan participants. Within this program, our goal is to assist the plan sponsor by providing a comprehensive list of investment options that is made available to the individual plan participants. This advice is tailored to each Corporate Services client in accordance with the Investor Policy Statement, which is jointly agreed upon by both the client and Highline. Clients within Corporate Services may impose restrictions on the selection of certain securities.

Highline offers six different investment advisory services:

- (1) Investor Services
- (2) Private Wealth Management
- (3) Family Office Services
- (4) Corporate Services
- (5) Real Estate Investment Advisory Services
- (6) Financial Planning Services

The first five services are overseen by the Investment Committee, which evaluates the investments, general economic and investment conditions, and specific research goals and objectives. The committee is currently composed of four voting members – Jonathan Rugg, CFA, Shawn Hsieh, CFP, CFA, Hugh Meyer, and Rich Barnett, CFA, CAIA (*collectively, the "Investment Committee"*). Each member contributes their own research, analysis, and judgment with the goal of enhancing Highline's investment decision making process. While a unanimous decision is not required by the committee, the process often results in general consensus and agreement among the members. The Committee's recommendations and ideas are intended to assist in the final decisions for the Firm's investment programs. An Investment Committee meeting may be called by any voting member with at least one day's notice to the other members. These meetings may occur via a conference call or video conference.

The sixth service, Financial Planning Services, operates in accordance with Highline's Financial Planning Agreement and our compliance policies and procedures. Plans and other work products produced within this line of business are supervised by Ms. Jamie Rugg, Certified Financial Planner™ and financial planning practitioner.

(1) Investor Services

Through Investor Services, Highline provides investment management services to clients. Investor Services consists of custom portfolios tailored to meet the specific investment objectives

of each client. We may select any mutual fund, ETF, or other investment for inclusion into client portfolios. Clients choose from one of seven investment objectives according to their willingness and ability to bear risk. Clients within the same investment objective will seldom, if ever, have the exact same funds in the same proportions. However, clients within the same investment objective will have very similar, and possibly identical, funds and very similar, and possibly identical, fund allocations. If restrictions have been placed on any account, the funds selected, and the asset allocations may differ substantially. The Firm's seven investment objectives are listed and described further in Item 8 of this Brochure.

Correspondence and reports are delivered electronically to all clients within Investor Services. In addition, there may be telephonic meetings rather than in-person meetings for clients within Investor Services. If clients have questions regarding their account(s), they may call the office.

The initial minimum account size for the Investor Services is \$200,000. We may make exceptions to this, at our discretion, if the newly established accounts have the potential to exceed these amounts within a reasonable period due to additional contributions.

All final asset allocation, timing, and investment selection decisions and recommendations are made by the Investment Committee.

(2) Private Wealth Management

Private Wealth Management provides investment management services combined with full financial planning and advanced estate planning strategies to clients. Like Investor Services, Private Wealth Management normally consists of custom portfolios tailored to meet the specific investment objectives of each client. We may select any mutual fund, ETF, or other investment for inclusion into client portfolios. Clients typically choose from one of seven investment objectives according to their willingness and ability to bear risk. Clients within the same investment objective will seldom, if ever, have the exact same funds in the same proportions. However, clients within the same investment objective will have very similar, and possibly identical, funds and very similar, and possibly identical, fund allocations. If restrictions have been placed on any account, the funds selected, and the asset allocations may differ.

Private Wealth Management also may access less liquid, alternative investment vehicles which are not available to Investor Services clients. These decisions are made after going through a rigorous planning and due diligence process to validate that these investments are a suitable option for clients. In instances where a client is interested in such alternative investments, Highline will ensure such clients are accredited investors and/or qualified purchasers as those terms are defined in Rule 501 of Regulation D of the Securities Act of 1933 and Rule 205-3 of the Investment Advisers Act, respectively.

All final asset allocation, timing, and investment selection decisions and recommendations are made by the Investment Committee.

The initial minimum account size for Private Wealth Management is \$1,000,000. We can make exceptions to this, at our discretion, if the newly established accounts have the potential to exceed these amounts within a reasonable period due to additional contributions.

(3) Family Office Services

Highline provides a line of business called Family Office Services. These services are geared towards growing wealth and preserving it for generations to come. These advanced planning

strategies may range from cash flow management to advanced tax and estate strategies to educating younger generations on financial matters.

Clients within our Family Office Services have access to all Investor Services and Private Wealth Management services plus additional investment opportunities in private equity and other types of alternative investments. In instances where a client is interested in such alternative investments, Highline will ensure such clients are accredited investors and/or qualified purchasers as those terms are defined in Rule 501 of Regulation D of the Securities Act of 1933 and Rule 205-3 of the Investment Advisers Act, respectively. Highline may also perform select due diligence on family directed private transactions for Family Office Services clients as well.

All final asset allocation, timing, and investment selection decisions and recommendations are made by the Investment Committee.

The initial minimum account size for Family Office Services is \$10,000,000. We may make exceptions to this minimum, at our discretion, if the newly established accounts have the potential to exceed these amounts within a reasonable period due to additional contributions.

Certain clients within Investor Services, Private Wealth Management, and Family Office Services may ask our Firm to manage a given portfolio to achieve a specific objective without divulging (for various reasons) their complete list of financial assets and investments or other relevant personal or financial circumstances. These clients, like all our clients, must complete the Highline Client Confidential Profile form. For those clients who decline to provide information regarding their non-Highline managed portfolios, it is important to answer the questions in the Client Confidential Profile which identify the approximate allocations of other assets not managed by Highline. This helps the Firm better understand the suitability of the investment objective chosen by the client with respect to their overall financial circumstances.

(4) Corporate Services

Within Corporate Services, Highline has the ability to provide any or all of the following services to corporate clients and their employees.

- A. Qualified Retirement Plans including 401(k), 403(b), 457, pension, and profit-sharing plans.

Highline creates an investment lineup from investments located within one or several of the following three potential categories of investment options:

- 1) Model Portfolios
- 2) Target Date Funds
- 3) Individual Mutual Fund Lineup

Plan participants may then select any combination of model portfolios, target date funds, or non-target date funds depending on the investment lineup of that particular plan (from the Individual Mutual Fund Lineup) to create their own individual portfolio.

The platform contains a collection of pre-screened no-load and/or load-waived mutual funds. Clients often allow their plan participants to choose a combination of mutual funds and/or model portfolios from the above three investment categories. Thus, an individual participant may create a portfolio that consists of any combination of model portfolios, target date funds, and non-target date mutual funds taken from the Individual Mutual Fund Lineup. This gives plan

sponsors and participants the flexibility to create a customized portfolio based upon their personal preferences and for participants, their willingness and ability to bear risk. However, since each plan participant makes individual allocation decisions and fund selection decisions independent of Highline, the Firm is not responsible for the performance of personal retirement plan portfolios created by individual plan participants.

All investment lineup-related decisions for all retirement plans are made by the Investment Committee.

Highline offers assistance to clients in the following areas: 1) creation of an Investment Policy Statement 2) selection of Qualified Default Investment Alternatives (“QDIA”), 3) acting as the 3(38) ERISA fiduciary investment manager, 4) evaluating, selecting, and monitoring all investment options offered to participants, 5) potentially managing model portfolios on behalf of the client and plan participants if selected to do so, and 6) providing education to plan participants during selected review meetings.

Portfolios are monitored on a regular basis and utilize the same criteria that are employed during the initial selection of investment options. This process consists of following pre-defined quantitative screening procedures and employing the judgment of Highline on an ongoing basis. If, upon evaluation, an investment option continues to be acceptable, no further action is required. If Highline determines that the option is not acceptable, removal of the investment option may result.

To assist in this overall decision-making process, Highline utilizes a third-party research service run by Fi360 which specializes in providing investment monitoring services for the retirement plan industry. These reports help in the ongoing evaluation, selection, and monitoring of funds available in the investment lineup.

Correspondence and reports are typically delivered electronically to all Corporate Services clients (i.e. plan sponsors). In addition, there is typically an annual in-person (or virtual webinar) meeting for clients and their plan participants.

The initial minimum account size for retirement plans within Corporate Services is \$2,000,000. We may make exceptions to this minimum account size, at our discretion, if the newly established account has the potential to exceed this amount within a reasonable time-period due to additional contributions.

Plan sponsors within Corporate Services must complete the Highline Corporate Client Profile. In addition, Highline will work with the plan sponsor to create an Investor Policy Statement (“IPS”), which is intended to assist both the plan sponsor and Highline in making investment-related decisions and recommendations, as applicable, in a prudent manner. The IPS outlines the general processes for the selection, monitoring and evaluation of the investments in the plan, as well as the monitoring of investment-related services.

Highline also assists and educates plan sponsors on fiduciary responsibilities and compliance procedures.

- B. Executive Compensation - supports Clients by designing and implementing executive compensation plans for the purpose of attracting, retaining, and rewarding their most valuable asset, their employees. These Executive Compensation packages include Non-Qualified Deferred Compensation plans and Equity Stock Plans providing comprehensive incentives aligning the company’s success with key employees’ future compensation.

- C. Risk Management Strategies - helps Clients reduce annual costs associated with employee and customer related settlements while preparing for catastrophic events resulting from loss of key employees that will cause a severe strain on operations. The implementation of these various strategies may utilize insurance-based analysis of Key Man Insurance, Disability Insurance, Buy/Sell Insurance and General liability.
- D. Tax Efficiency Strategies - explores ways to align company operations with government sponsored programs encouraging innovation and expansion which may include Cost Segregation analysis, Research and Development Credits, Utility Auditing, and other business deductions.
- E. Legacy Consulting - helps preserve and leverage our clients' largest asset for future generations in the most tax efficient manner. This service may include Buy-Sell Analysis, Succession Planning, and Business Valuation.

(5) Real Estate Investment Advisory Services

Highline offers private real estate services to select clients which may include the following investment opportunities:

- 1. Limited Partnerships.
 - a. Highline conducts due diligence on real estate strategies that may include the purchase of commercial or residential real estate property or properties, real estate loans, bridge loans, or mezzanine debt strategies, and various other real estate strategies. These opportunities may be in the form of a Limited Partnership, interval fund, open ended evergreen fund, or other investment structures. Once approved by the Investment Committee, Highline will recommend these opportunities to select clients who meet the accredited investor, qualified client or qualified purchaser¹ requirements set by the various partnerships.
- 2. Direct Real Estate Investment.
 - a. Highline can also oversee the acquisition and management of specific commercial properties that a client chooses to own. As part of our services, Highline directs all aspects of the management for each property including operations, development, financing, leasing and capital improvements. This option allows clients to control the buying, selling, major capital renovation, and be involved in budget decisions.
- 3. Real Estate Consulting.
 - a. Highline can also provide real estate consulting services which may include the analysis, valuation, and due diligence of real estate opportunities as requested by a client. This is performed on a case-by-case basis.

(6) Financial Planning Services

Highline's Financial Planning Services are intended to be a collaborative process between the Firm and our Clients. The intention is to help maximize a Client's potential for meeting life goals

¹ As each term is defined in Rule 501 of Regulation D of the Securities Act of 1933, Rule 205-3 of the Investment Advisors Act, and Section 2(a)(51) of the Investment Company Act, respectively.

through Financial Advice that integrates relevant elements of the Client's personal and financial circumstances.

This service includes an analysis of a client's financial and life objectives, current financial position, investment, estate and risk management planning activities, and financial strengths and weaknesses. Where appropriate, Highline will attempt to coordinate with licensed experts such as tax attorneys, trust and estate attorneys, and insurance providers to assist in evaluating the many aspects of a client's concerns.

Highline's financial planning process follows the agreed upon Financial Planning Services contract and seeks to provide the following services:

- 1) Understand the Client's Personal and Financial Circumstances
- 2) Identify and Select Goals
- 3) Analyze the Client's Current Course of Action and Potential Alternative Course(s) of Action
- 4) Develop the Financial Planning Recommendations
- 5) Present the Financial Planning Recommendations
- 6) Implement the Financial Planning Recommendations where agreed upon and applicable
- 7) Monitor Progress and Update an ongoing plan as agreed upon in the Financial Planning Services Contract

As part of the Financial Planning Services, Highline will outline some general approaches to bring financial activities more in line with the overall objectives of each client. Financial Planning Services fees are based on a rate of \$250 per hour, although an estimate is typically quoted in advance of entering a Financial Planning Services contract. The Financial Planning Services contract outlines the scope of the engagement and the financial planning areas to be included as agreed upon by client and Highline. The contract terminates upon delivery of the financial plan. If upon termination the client elects to become a client of the Firm's Private Wealth Management or Family Office Services, they will then become an on-going client of Financial Planning Services and receive future Financial Planning Services at no additional charge. If the client continues to receive such services, their existing financial plan will be updated annually or when material changes occur that should be reflected in the plan. However, an analysis performed for a specific situation will not be updated once it has been resolved.

There is no minimum account size for Financial Planning Services. This service is advisory in nature and no discretionary powers are given to Highline or Highline advisers.

There is a conflict of interest because there is an incentive for advisors offering Financial Planning Services to recommend any of Highline's five investment advisory services for which the Firm receives compensation. Financial Planning Services clients are under no obligation to act upon any recommendations of the Firm, or to execute any transactions through Highline or an associated person if they decide to follow the recommendations. If clients wish to implement any recommendation, clients may select any brokerage firm, private investment firm, insurance agency, broker, or carrier, bank, or any other financial service institution.

Other Services

Occasionally, members of our Firm may be asked to present lectures on investments or economics, to evaluate individual securities, markets, or industries or to evaluate other factors related to the valuation, timing and selection of securities or other assets.

Retirement Plan Participant Account Management with Pontera: Highline utilizes a third-party platform named Pontera (formerly FeeX) to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. As with Highline's other services, we do not have custody of client funds. Additionally, we do not have access to Client log-in credentials to initiate trades. The use of the third-party platform allows us to provide investment assistance on a discretionary basis while limiting our access to investment related information only. We are not affiliated with the platform in any way and receive no compensation from them for using their platform.

If Highline refers a client or prospective client to a third-party service provider, Highline does not receive referral fees or any other compensation contingent on, or generated by, the sale of products or provision of services by such third parties.

Highline may receive referrals from third parties for which we do not pay referral fees.

A. Advisory Agreements

1. Information Received by Individual Clients

At the onset of the client relationship, Highline gathers information on each client's investment objectives, risk tolerance, time horizons and financial goals. Highline does not assume responsibility for the accuracy of the information provided by the client and is not obligated to verify any information received from the client or from any of the client's other professionals (e.g., attorney, accountant, etc.). Under all circumstances, clients are responsible for promptly notifying Highline in writing of any material changes to the client's objectives, risk tolerance, time horizon, and financial goals.

2. Client Agreements and Disclosures

Each client is required to enter into a written Investment Advisor Agreement with Highline setting forth the terms and conditions under which the Firm shall render its services. In accordance with applicable laws and regulations, Highline will provide its disclosure brochure (ADV Part 2A), brochure supplement (ADV Part 2B), Client Relationship Summary (Form CRS-ADV Part 3), and most recent Privacy Policy Notice to each client prior to or contemporaneously with the execution of the Investment Advisor Agreement. Neither Highline nor the client may assign the Investment Advisor Agreement without the written consent of the other party.

B. Amount of Client Assets Under Management

As of December 31, 2022, the total regulatory assets ("AUM") managed by Highline are \$285,102,985; \$284,592,220 in discretionary AUM, and \$510,765 in non-discretionary AUM.

Item 5. Fees and Compensation

A regular quarterly fee is payable in advance at the annual rates indicated in a client's specific investment advisor agreement, and listed below, which is based upon the market value of the investment assets under our supervision or management, including cash or its equivalent held for investment, as calculated by the custodian of the account, and reviewed by Highline at the beginning of each calendar quarter. Fees for consulting services are stated separately below.

Investor Services, Private Wealth Management, Family Office Services, Real Estate Investment Advisory Services

Fees for clients with an Aggressive, High Growth, Growth, Moderate Growth, Balanced, or Diversified Income investment objectives, are based upon the following rate schedule:

AMOUNT	ANNUAL FEE
Up to \$2,000,000:	
For the first \$1,000,000	1.25%
For the next \$1,000,000	1.00%
Over \$2,000,000:	
For the first \$2,000,000	1.00%
For the next \$3,000,000	0.75%
For the next \$5,000,000	0.50%
Over \$10,000,000:	Negotiable

There is a minimum annual fee of \$2,500 for new clients in Investor Services, \$7,500 for new clients in Private Wealth Management, and \$50,000 for Family Office Services. These minimums apply for all Individual Services except for clients with an income objective. All Real Estate Investment Advisory Services have the same \$2,500 minimum as Investor Services.

Fees charged for clients with a Cash Management objective are based on the following schedule:

AMOUNT	ANNUAL FEE
For the first \$2,000,000	0.50%
For amounts over \$2,000,000	0.25%

Fees charged for clients with a Pontera account (details available above in the "Other Services" as described in Section B) are based upon the following schedule:

AMOUNT	ANNUAL FEE
For the first \$2,000,000	0.75%
For amounts over \$2,000,000	0.50%

Corporate Services

Fees for clients with retirement plans within Corporate Services are based upon the following rate schedule.

Client will pay Highline a quarterly fee at the rates indicated below based on the market value of Plan assets as determined by the Plan's custodian:

SERVICE	ANNUAL FEE
Base Fee Amount	\$10,000*
ERISA 3(38) Investment Management Services	0.20%

*There is a minimum annual fee of \$10,000 for Corporate Services clients.

The Base Fee Amount may differ depending on the number of participants in the Plan. Highline may charge an additional fee for investment advisory services which are quoted based upon the level of service required.

The valuation of the Plan's assets for billing purposes is the amount computed by the Plan's custodian on the last business day at the end of each calendar quarter. The quarterly fee is calculated by applying one-fourth of the base fee amount as well as one-fourth of the applicable annual percentage rate and multiplying this amount by the quarter-end account value as measured by the Plan's custodian. The fee is charged in advance on a calendar quarter basis.

Highline provides an invoice to clients within 30 business days of the end of each calendar quarter. Fees are due upon receipt of this billing notice. The client, at its sole discretion, may instruct the account custodian to calculate Highline's fees using the fee schedule referenced above and at its sole discretion may instruct the custodian to disburse such fee to Highline.

For all programs, fees for the first quarterly billing period are not payable until two weeks have elapsed from the signing of our agreement and for subsequent quarterly billing periods, until two weeks have elapsed from the beginning of each new period.

For clients in the Private Wealth Management or Family Office Services, invoices may be sent directly to the client, or if the client prefers, to the custodian or broker selected for the account. For Investor Services clients, invoices are sent directly to the broker. For Corporate Services clients, invoices will be sent directly to the client unless the client specifically requests that payment be processed by the plan's record-keeper or custodian.

Under special circumstances, and at our discretion, the fees and minimums charged to certain charitable or non-profit organizations, to employees of these organizations, to accounts that are used primarily to pay for college tuition and expenses or to clients who have become disabled or incapacitated may be reduced. In addition, the above minimum fees have been waived for those who were Highline clients prior to the establishment of the above minimum fees in 2012. As of this filing, fee schedules in existence prior to the current fee schedule are typically grandfathered in to keep their existing fee schedule and minimums.

Highline may manage accounts for principals, employees, or family members of Highline within any of our investment advisory services. Fees and minimums for any of these clients in any of our programs may be reduced or waived at our discretion.

The fees charged by Highline within any investment advisory service may be more or less than those charged by other investment advisers for similar services. Further, clients may purchase no-load mutual fund shares, load-waived mutual fund shares, ETF shares, as well as other securities directly, without our services, through entities that are not affiliated with us. It is important to understand that all fund investments also charge management fees and incur other costs and expenses that are passed through to fund shareholders (and ultimately borne by clients whose assets are invested in such funds). In addition, custodians and broker-dealers typically impose a commission, mark-up/down or other transaction fee for effecting transactions in securities. (See Item 12, Brokerage Practices for more information.) All these fees, costs and expenses are in addition to the fees paid to us, and we do not waive our fees proportionally to offset these fees, costs and expenses unless we are required by law to do so.

Highline does not receive 12b-1 trailing fees, participate in revenue sharing arrangements, administrative or other fees from no-load mutual funds, load-waived mutual funds, ETFs, or from any of their service providers.

Our investment advisory agreements may be terminated by either the client or by Highline upon not less than thirty (30) days' written notice of such termination. Highline may choose to waive the advance notice requirement upon written request by the client. Any prepaid management fee will be refunded pro-rata from the billing period to the date of termination.

Financial Planning Services

As described in Item 4 of this brochure, Highline offers fee-only financial planning within the Financial Planning Services line of business at an estimated base rate of \$250 per hour utilizing the Financial Planning Services Contract. The rate is quoted in advance and charged in arrears.

Consulting Services

Fees for all market analysis, securities analysis or economic consulting services provided by Highline are a minimum of \$300 per hour payable within ten (10) days after services have been rendered.

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

Highline does not charge performance-based or side-by-side fees. Our fees are described in Item 5, Fees and Compensation.

Item 7. Types of Clients

Highline provides investment advisory services to a variety of clients, such as corporations, partnerships, individual investors, trusts, foundations, retirement plans, retirement plan participants, 401(k) plans and other tax-exempt entities.

To establish a new account, the initial minimum dollar investment is \$1,000,000 for Private Wealth Management, \$200,000 for Investor Services, and \$10,000,000 for Family Office Services. For a new account in Corporate Services, the minimum dollar investment is typically \$2,000,000. We may make exceptions to any of these required minimums at our discretion. For example, we may make an exception if a newly established Private Wealth Management client account has an initial balance under \$1,000,000 but is expected to exceed this amount within a reasonable period of time due to additional contributions. Other examples exist where minimums may be reduced within any of our investment programs. These examples include special circumstances, such as charities and their employees, as well as disabled persons. In addition, at our discretion we may waive the minimum account size requirement for principals and employees of Highline and for members of their families.

Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

OVERVIEW

1. Method of Analysis - Financial Planning Services

Relevant elements of personal and financial circumstances vary from Client to Client, and may include the Client's need for or desire to: develop goals, manage assets and liabilities, manage cash flow, identify and manage risks, identify and manage the financial effect of health considerations, provide for educational needs, achieve financial security, preserve or increase wealth, identify tax considerations, prepare for retirement, pursue philanthropic interests, and address estate and legacy matters.

Highline's procedures include 1) analyzing client objectives and risk preferences, assets, liabilities, income and budgets, 2) coordinating with licensed experts on income taxes, estate planning, and / or insurance, 3) summarizing strengths and weaknesses in the client's current financial plan (if any), and / or 4) outlining potential actions to help each client better achieve their investment objectives. Both long- and short-term planning is done based on the individual needs of the client and the agreed upon scope of the engagement as outlined in the Financial Services Contract.

2. Methods of Analysis and Investment Strategies for Investment Programs

The methods of investment analysis employed at Highline involve the following five categories for all Highline investment programs:

- a) Defining Investment Objectives
- b) Making Asset Allocation Decisions
- c) Selecting an Initial Portfolio
- d) Maintaining Portfolio Diversification
- e) Managing Individual Portfolios Over Time

Defining Investment Objectives

The first step in our investment process for all programs is to help clients select an investment objective for their portfolio or portfolios. For the Individual Services, clients are encouraged to review their overall personal and financial needs. This, in turn, requires clients to review their specific income circumstances, growth objectives, risk tolerance, tax circumstances and other factors. Based upon this analysis, their preferences, and the size of their total portfolio, clients then select a service from the programs we offer, i.e., the Individual Services.

Plan participants of retirement plans within the Corporate Services are encouraged to follow a similar process when constructing their self-directed portfolios from the investment options available within their respective plan. During an annual participant information meeting conducted by the Firm, participants in attendance are encouraged to carefully reflect upon their personal circumstances and preferences before making individual asset allocation and fund selection decisions. During the meeting, the Firm also encourages participants to direct their investment into a combination of equity, fixed income and alternative funds that are also diversified internationally.

Each client must then choose a specific investment objective within the investment program chosen by the client as follows:

Individual Services

The investment objectives for the Individual Services are:

- **Aggressive**
Aggressive investors seek growth of capital and are willing to accept high risk with minimal income.
- **High Growth**
High Growth investors seek growth and long-term capital appreciation and are willing to accept above average risk with minimal income.
- **Growth**
Growth investors seek long-term capital appreciation with some income and are willing to accept moderate levels of risk.
- **Moderate Growth**
Moderate Growth investors seek some long-term capital appreciation with a combination of income, some capital preservation, and moderate growth.
- **Balanced**
Balanced investors seek a combination of income, capital preservation and modest growth.
- **Diversified Income**
Diversified Income investors seek capital preservation, a relatively high yield, and below average amounts of growth.
- **Income**
Income investors seek a relatively high yield and more price stability by purchasing a larger percentage of higher income-producing investments.

Some clients request Highline to build custom, specialized portfolios. The Investment Committee evaluates these opportunities as necessary.

Although each account is placed into one of these seven broad categories, we manage each portfolio based upon the special needs and circumstances of each client. Clients within the same investment objective will seldom, if ever, have the exact same funds in the same proportions. However, clients within the same investment objective will have very similar, and possibly identical, funds and very similar, and possibly identical, fund allocations. If restrictions have been placed on any account, the funds selected, and the asset allocations may differ substantially.

Pontera Accounts

Highline provides advice on a discretionary basis for Pontera accounts with respect to the sale of existing securities and the purchase and sale of all types of securities available within the lineup of the specific plan(s) as decided by the 401(k) Plan Sponsor(s) ("The Plan Investments"). The custodian(s) of the 401(k) plan(s) have sole physical custody of all assets in client accounts, but Highline has full authority as to all investment decisions and is authorized to utilize Pontera to

review client investment portfolios and reallocate, rebalance, or make specific trades as necessary. Highline can only construct or make changes to portfolios utilizing the investment strategies available on the Plan Sponsor's investment lineup.

The investment objectives for clients with Pontera accounts are the same as those for Individual Services except no income objective is offered.

Corporate Services

Clients in Corporate Services who participate in a retirement plan will typically provide plan participants access to the following categories of investment options:

- 1) Model Portfolios
- 2) Target Date Funds
- 3) Individual Mutual Fund Lineup

Model Portfolios

Risk-based objectives within the Model Portfolios, if available as an option in the investment lineup, are managed by Highline and are typically as follows:

- Growth
Investors seek long-term capital appreciation with some income and are willing to accept moderate to above average levels of risk.
- Balanced
Investors seek a combination of income, capital preservation, and moderate growth and are willing to accept moderate levels of risk.
- Conservative
Investors seek a relatively high yield and more price stability by purchasing a larger percentage of higher income-producing investments.

Target Date Funds

If available on the investment lineup, target date funds which we recommend for inclusion in the plan are available as investment options and, as directed by the plan sponsor, will also serve as the Qualified Default Investment Alternative ("QDIA") should a participant choose not to build their own customized portfolio.

Individual Mutual Fund Lineup

Each participant within a plan also has the option of creating his or her own portfolio using the above model portfolios (if available), target date funds and, in addition, non-target date mutual funds. Funds included within the Individual Mutual Fund Lineup have been approved by both Highline and the client.

The goal is to make recommendations to our clients that will help provide their plan participants with multiple investment options as well as the flexibility to try to accommodate the participant's various circumstances, goals, time horizons and tolerance for risk.

Client portfolios within the Individual Services, and the Model Portfolios (typically available within Corporate Services) are managed by Highline in accordance with the process described in the remainder of this section. There is no guarantee that a client will achieve the client's chosen investment objective within any of the above services.

Making Asset Allocation Decisions for Individual Services and Corporate Services

We believe investing in today's volatile markets requires a sophisticated and flexible approach. We also believe that a successful investment strategy requires diversification and flexibility to shift assets to a more defensive position during periods of anticipated market weakness. To assist us in seeking to identify periods of potential market strength and weakness, we conduct research with the goal of identifying major turning points in financial markets.

Our approach to asset allocation begins with three basic analyses. First, for a long-term perspective, we examine the socio-economic, demographic, political, institutional, and inflationary trends that underlie the United States and world economies. This analysis seeks to provide us with insights into the long-term potential of the market and the relative attractiveness of different types of investments. Second, we review current monetary and credit conditions. Finally, we monitor certain fundamental and technical indicators that we believe may help us identify potential market trends. These indicators seek to measure such things as investor psychology, corporate profits, and market cycles.

No indicator or combination of indicators can assure the successful identification of future market trends. When viewed in the broader context of underlying U.S. and global economic, financial, demographic, and political environments, it is hoped that these indicators provide useful insights into both domestic and foreign markets.

We also employ many analytical techniques, models, graphs, and statistics to help us better understand domestic and international stock, bond and currency markets. This research, in turn, assists us in making both asset allocation and fund selection decisions for client portfolios. Again, no analytical tool, model, graph, or statistic can assure the attainment of any investment objective or the avoidance of losses.

Based upon this research, and information obtained from many articles, newsletters, white papers, and other data sources, we seek to adjust the allocation of client portfolios with the goal of capitalizing during important market advances and preserving capital during significant declines. In this way, we seek to achieve favorable real rates of return (after inflation) while striving to limit risks to a level consistent with each client's chosen investment objective and risk tolerance. Although this approach is believed to be sound, Highline cannot guarantee future performance results, the avoidance of tax liabilities, or the attainment of any desired level of risk.

Asset allocation decisions involve changing investment holdings between funds that invest in different types of securities. An example of an asset allocation decision that may be made by Highline is between funds that invest in equity versus fixed income securities. Another example of an asset allocation decision is between funds that invest in securities domiciled in domestic or foreign countries. We may also change the allocation between funds that are classified by the different styles, sectors, objectives or by any other criteria.

By design, asset allocation decisions will normally differ for portfolios with different investment objectives. Also, since portfolios within both the Individual Services and Corporate Services may have restrictions imposed by the client, the precise asset allocations for different portfolios with the same investment objective in a specific investment program may also differ. In fact, it

is unlikely that portfolios with the same objective will have the exact same asset allocation. If restrictions have been placed on any account, the funds selected and the asset allocations, may differ substantially

Selecting an Initial Portfolio

We strive to develop a diversified portfolio consisting of a combination of investments. A typical client portfolio within any of our programs usually contains from ten to twenty holdings. When taken as a group, these holdings are designed, in our view, to help achieve the investment objective selected by the client.

At Highline, we have developed proprietary tools that assist us in screening information on many investments. By employing these tools, we seek to screen our databases of available investment options with the goal of identifying:

- Strategies which, when combined into a portfolio, may help achieve the specific investment objective of each client.
- Strategies which, when combined into a portfolio, may help reduce overall portfolio volatility.
- Strategies which we believe have the potential to produce superior risk-adjusted performance.
- Strategies that may meet additional quantitative and qualitative tests that help determine each investment's desirability and its potential for future performance.
- Strategies with relatively low operating expense ratios given their objectives and the costs associated with achieving those objectives.

At Highline we also restrict investments to no-load and load-waived funds that avoid 12b-1 fees. In addition, to avoid certain conflicts of interest, we never accept 12b-1 payments or any other kind of payment from any fund or broker.

We normally limit our investment universe to those investments that have a clearly defined objective and a history of relatively consistent adherence to this objective. We consider the quality of management, expense ratios, risk levels, the size of the investment strategy, its current cash flow characteristics, and present and past performance.

For ETFs, we also consider construction methodology and fund liquidity (volume and bid/ask spreads) in addition to the other considerations discussed earlier. The precise selection techniques we utilize may vary with the type or volatility of each of the Investments.

We may select (or recommend) virtually any investment for inclusion into client portfolios. Each investment vehicle may invest in a wide variety of securities which may be categorized according to various investment styles, industry sectors, geographic areas, security types or by other criteria. For example, funds might invest in exchange-listed securities, securities traded over the counter, foreign issuers, warrants, corporate debt securities, municipal securities, U.S. Government securities and options contracts on securities. These funds may also invest in commercial paper, certificates of deposit, commodities, derivatives, futures contracts, or options on futures contracts, as well as other types of securities. In addition, funds may invest from time to time in other funds. As a result, funds may be subject to a variety of investment risks, which include, but are not limited to, stock market risk, business risk, interest rate risk, credit risk, foreign investment risk, currency risk, derivatives risks, counterparty risk, geographic risks, diversification risk, political risk, liquidity risk, inflation risk, and industry concentration risk.

Once investment strategies have been identified using the above process, the Investment Committee members provide recommendations and ideas which assist the Investment Committee in using their judgment to select investments for client portfolios. The Investment Committee has final decision-making authority for all asset allocation decisions, with Jonathan Rugg, CFA, leading the committee.

Investment Decisions Regarding Target Date Funds and the Individual Mutual Fund Lineup

Once mutual funds have been identified using the above process, the Investment Committee members provide recommendations and ideas which assist the Investment Committee in using their judgment to recommend target date funds and non-target date mutual funds to be included within the plan's Individual Mutual Fund Lineup for retirement plans within Corporate Services. Plan participants may then create their own portfolio consisting of any combination of the target date funds, individual non-target date mutual funds or Model Portfolios (if available) selected for inclusion by the plan sponsor.

The Investment Committee shares the final decision-making authority for recommending the individual funds (target date funds and other non-target date mutual funds) and for managing the Model Portfolios, if applicable. With respect to some retirement plans, specifically those held at Capital Group / American Funds, the Investment Committee does not specifically possess the same 3(38) fiduciary rights and responsibilities as we typically do with most plans. For these exceptions, Highline and the Investment Committee cannot be held to the 3(38) fiduciary standards as defined in ERISA. We still utilize a process designed to provide options that assist plan participants in achieving their financial goals and objectives.

For all investment management services, our goal is to select and/or recommend strategies with investment allocations that are likely, in our judgment, to benefit from the above referenced socio-economic, political, institutional, financial, demographic, and other trends that underlie the United States and world economies.

The information used by Highline in formulating investment strategies may include materials prepared by mutual funds, ETFs, various U.S. Government publications and information derived from personal interviews with mutual fund managers or ETF managers. In addition, various software programs, fund databases, real-time data services and information generated by our own proprietary models may be used to assist in formulating investment strategies. The judgment of the Investment Committee members is an important component in formulating investment decisions for all our investment programs.

Portfolio Diversification

Within all our investment management services, we seek to limit risk by selecting a portfolio of strategies that invest in individual securities that are normally diversified across asset categories, industries, sectors, styles of money management, investment objectives and countries of the world.

A more detailed discussion of our approach to portfolio diversification follows. Please note that we discuss 5 types of diversification:

a. Diversification Across Asset Classes

We typically diversify client portfolios into strategies that invest in securities within different asset classes. The final mix of equity, bond, and money market funds within

client portfolios is typically determined using proprietary tools, various analytical measures, the input, recommendations, and judgment of the Investment Committee.

b. **Diversification Within an Asset Class**

Client portfolios are also diversified through purchasing a mix of strategies that may contain securities invested across sectors, industries and additionally, for bond funds, across varying maturities and types of issuers. The final mix of equity sectors and industries, as well as bond maturities and issuers, is typically determined using proprietary tools, analytical measures, the input, recommendations, and judgment of the Investment Committee.

c. **Diversification by Investment Style**

We seek to reduce the risk of investing in strategies which hold securities within a given asset class (e.g., equity funds) by diversifying across different styles of money management. For example, equity fund managers may employ different investment “styles” by focusing their investments into certain types of securities, e.g.:

- Defensive, cyclical, securities with relatively stable earnings growth rates, high dividend paying, interest rate sensitive, growth stocks, value stocks, small company, and large company stocks, among others.

Many other styles also exist, each employing a particular strategy for selecting stocks, bonds, or other types of financial assets. Styles of equity management vary considerably, as do the associated risk and historical performance results.

d. **Diversification by Investment Objective**

When appropriate, we may further diversify client portfolios by selecting strategies that employ different investment objectives, such as conservative growth, moderate growth, and aggressive growth. We believe that this process may help balance the overall risk exposure of a client portfolio with the investment objective selected by the client.

e. **Global Diversification**

We may also offer strategies that invest in foreign securities. In doing so, we seek to identify opportunities that may exist or develop in various countries, regions, or currencies with the goal of enhancing investment returns and/or limiting risk in client portfolios. However, no assurances can be made regarding future rates of return for securities associated with any country, currency or for the overall risk level of any portfolio that is diversified internationally.

Managing Individual Portfolios Over Time

The specific investment approach followed by Highline is to first construct a portfolio of funds designed to seek to achieve the specific investment objective selected by the client. Over time, we may purchase or sell any investment. On occasion, we may also sell securities that were previously transferred to the account by the client. In each instance, our goal is to enhance the overall risk-adjusted performance of the client’s portfolio over a strategic, long-term time horizon. In any given calendar year, we monitor the taxable gains/losses within taxable client portfolios to the best of our ability, as the information is subject to calculation and delivery by the investment managers selected in the portfolios. Where possible and appropriate, given the client’s specific goals and objectives, we utilize this data to balance tax losses and gains, via a process commonly known as “tax loss harvesting”. While this is a common practice among

investment advisers, our usage of mutual funds and ETFs further utilizes the managers' expertise in managing the tax impact of their specific portfolios.

The management of client portfolios is a dynamic process. We monitor current holdings and seek to upgrade to investments that we believe are more attractive, appropriate, or in a client's best interest whenever existing holdings no longer meet specific risk, expected performance and other fund selection criteria, or if a new class of fund is introduced that would be better suited, or carries lower overall expenses to the client. Also, overall portfolio allocation adjustments may be made when, in our opinion, changing market conditions warrant a shift in the allocation of client assets across domestic and international equity, bond and money market strategies.

We monitor the investment positions held in client portfolios daily and review these holdings on a weekly and monthly basis. Special reviews may also be initiated whenever significant fundamental or technical developments occur, when important new information is released, upon the input, recommendations, and judgment of the Investment Committee.

We normally adjust client portfolios in response to changes or anticipated future changes sequentially rather than all at once.

RISK OF LOSS

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Highline investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Some investment decisions or recommendations may result in profits and others in losses. Transactions in investment strategies may also result in an increase or a decrease in the tax liabilities for taxable client accounts and an increase in transaction costs. Past performance is not indicative of future results. Clients should never assume that future performance of any investment or strategy will be profitable.

In addition to the risks associated with changing from one strategy to another, there are also many underlying risks that may impact the individual strategies contained within client portfolios. These risks include, but are not limited to, the following:

- Risks associated with changing socio-economic, demographic, and political conditions within the United States and throughout the world.
- Risks resulting from changes in public policies, regulations, laws, international developments, and technology.
- Risks attributable to fluctuations in inflation rates, interest rates, exchange rates and other variables.
- Opportunity risk that an investor may forego profits or returns from other investments.
- Risks associated with the ongoing viability, functioning and liquidity of financial markets, individual financial instruments, and financial institutions – including the brokers, custodians and transfer agents associated with the investments that typically comprise client portfolios.

- Risks attributable to the changing business and operating conditions that influence the companies and government entities responsible for issuing individual securities, which, in turn, are held by the investment strategies.
- When investing in a position, clients will bear additional expenses based on their pro rata share of the investment's operating expenses, including the potential duplication of management fees. The risk of owning an investment generally reflects the risks of owning the underlying securities the investment holds. Clients will also incur brokerage costs when purchasing ETFs and may incur transaction costs when purchasing mutual funds through custodians or discount brokers unless such fees are waived.
- Risks relating to investing. Investing involves substantial risks including, but not limited to general investment and trading risks, and investment judgment.
- Pandemic and other Public Health Emergency (such as SARS, H1N1 influenza, avian influenza, Ebola, or other epidemic diseases), other major events or disruptions (such as hurricanes, earthquakes, tornadoes, fires, flooding, and other natural disasters), acts of war or terrorism, and Global Economic Impacts. As of the date of this brochure, there is an ongoing outbreak of a highly contagious form of coronavirus ("COVID-19"), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is still evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including non-essential government and regulatory activity. The effects of the COVID-19 pandemic or future pandemics may materially and adversely impact the value, performance and liquidity of a client's portfolio, and Highline's ability to achieve its investment objectives, all of which could result in losses to clients.

Item 9. Disciplinary Information

Registered investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be considered material to clients' or prospective clients' evaluation and/or selection of an Adviser.

Neither Highline nor its management persons have any legal or disciplinary actions or events reportable under this section or that would be material to our firm management.

When considering an adviser, the public is encouraged to review details of Investment Adviser Representatives (IARs) and Advisory Firms' background, licensing and any disciplinary information on the Investment Adviser's Public Disclosure site (IAPD) www.Adviserinfo.sec.gov.

Item 10. Other Financial Industry Activities and Affiliations

Highline's sole business is as a Registered Investment Adviser. Highline and its management persons do not have any other financial industry activities or affiliations.

However, certain Highline investment professionals have California insurance licenses and are licensed to recommend and offer insurance products in the State of California to individuals that they believe may benefit from them in the overall financial planning process. In doing so, Highline's investment professional can receive a commission directly from the insurance company when a policy is sold. Even though this would transpire outside of their role with Highline, this presents a conflict of interest since the insurance agent – investment professional would have an incentive to recommend insurance products to individuals for a commission.

Highline addresses this conflict by this disclosure and advises clients that they have the option of purchasing insurance policies through other insurance agents, even if it was recommended by a Highline insurance agent - investment professional. Highline will not charge clients an investment management fee for any commission-based investment that has paid a commission, such as insurance products. If a Highline investment professional receives a commission for an insurance policy sale, clients will not also be billed through Highline for managing the same policy. Not all insurance professionals who are insurance agents accept insurance commissions for insurance sales.

Certain Highline investment professionals also have real estate licenses for personal real estate transactions only. They do not offer real estate services or act as real estate agents with the public through Highline.

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

Principals of Highline make investments for their own accounts, for family accounts, and for the accounts of other clients that are the same as, or in conflict with those made for, or recommended to, clients. Employees of the Firm may also make investments for their own accounts that are the same as, or in conflict with those made for, or recommended to, client accounts. Personal investments made by principals and employees of Highline may involve securities that cannot be purchased or sold by Highline for, or recommended to, client accounts.

Principals and employees of Highline have the option, subject to the approval of Highline's CCO, to open one or more accounts within any of our investment services including the Investor Services and Private Wealth Management. Principals or employees that invest in any of these products must sign an Investment Advisor Agreement and complete a Confidential Information Form just like any other Highline client. Highline does not believe this creates a conflict of interest as principals and employees are expected to receive executions and investment results that are quite like those received by Highline clients who have the same objective within any of the above referenced investment services.

Principals and employees of Highline may invest in and trade shares of no-load or load-waived mutual fund shares on the same day that may be purchased or sold for, or recommended to, clients. Personal transactions made by principals and employees in shares of these funds are not restricted. We believe that such transactions do not present a conflict of interest because any no-load or load-waived mutual fund purchased or sold on a particular day is transacted at a net asset value, calculated by the no-load or load-waived mutual fund, for that day.

If Highline purchases or sells shares of a stock, non-government bond, ETF, or closed-end mutual fund during a given trading day for a client, principals and employees of the Firm must obtain approval from the CCO before executing a transaction for their personal account(s) during that same trading day. These restrictions do not apply to any open-end mutual funds, large cap stocks, government bonds, ETFs or closed-end funds that are held in employee accounts professionally managed by Highline since these transactions will generally be batched, when possible, with transactions placed for other accounts within the same program with the same objective, with the same brokerage firm used for the execution. In addition, principals and employees must obtain permission from the CCO before buying more shares of these securities if they are held in any account managed by Highline. We believe that monitoring principals' and employees' accounts prevents the opportunity to place their interests before the interests of clients and potentially benefit from a personal securities transaction to the detriment of clients. When in conflict, the client will always receive the best execution.

If a client transfers stock, non-government bond, ETF, or closed-end fund shares to their managed account at Highline, which are also held by a firm principal or employee, the principal or employee holding the security must obtain permission from the CCO before selling them and may not sell them on the same day they are sold for the client.

Highline has implemented a Code of Ethics, which incorporates the above prohibitions and restrictions, and serves to establish a standard of business conduct for the principals and employees of our Firm. The Code of Ethics is monitored and enforced by the Firm's Chief Compliance Officer, and includes policies and procedures reasonably designed to prevent the misuse of material non-public information by our principals and employees.

Item 12. Brokerage Practices

Individual Services

If a client within any of the Individual Services seeks our assistance in selecting a broker, we normally recommend brokers that appear to offer a competitive combination of service, trading opportunities and competitive commission rates. The choice of broker is left to the client or to the custodian handling client assets. Clients may direct Highline to a particular broker or to a custodian that may, in turn, select another broker to execute transactions.

Highline has selected Charles Schwab Institutional (“Schwab”) to be the potential broker for Individual Services. We believe that Schwab offers a competitive combination of services, trading resources and commission rates. A special benefit that may accrue to clients in the program is access to many institutional shares class funds that are usually not available to retail customers and often have lower expense ratios.

Schwab also offers certain ETFs and mutual funds for zero transaction costs, provided that the funds are held for a specific time. The required holding periods are typically compatible with the investment management approach employed by Highline.

Highline has also selected Pontera to allow Highline to access clients’ sub-account(s) within their firms’ 401(k) plan(s). Highline is authorized to review the investment portfolio and reallocate, rebalance, or make specific trades as necessary. Highline only has access to the specific strategies and/or securities that are available within the lineup of the specific plan(s) as decided by the Plan Sponsor(s).

Corporate Services

Highline selects from among Principal, Schwab, or American Funds to be the custodian and broker for the Corporate Services platform, depending on the situation and a variety of cost and efficiency factors. We believe these firms offer a competitive combination of service, trading resources and commission rates. A special benefit that may accrue to clients and plan participants is access to many institutional shares class funds, which are usually not available to retail customers, and which often have lower expense ratios.

All Services

If Highline can negotiate a lower commission schedule with a custodian or broker, the benefits are passed along to our clients. Transaction charges paid by clients of Highline to their broker for trading costs may be higher or lower than those charged by other executing brokers.

When Highline obtains direct or third-party research reports from one or more of the brokers used by our clients, such research normally consists of economic or financial data, electronic quotations, or specific research reports - information that typically accrues to the benefit of all our clients. We do not allocate these benefits to client accounts proportionally based on the commissions generated by those accounts.

Executing brokers also provide Highline administrative assistance with software packages used for accessing client data and trading accounts, and access to a daily electronic link to client accounts. They also provide newsletters, conferences, due diligence meetings, webcasts, special events, and employees that may address overall market conditions, regulatory matters, industry

developments, best business practices and other topics. The research, products, and services provided benefits Highline and its clients, because we do not have to pay for them ourselves.

Highline may recommend a certain executing broker to effect transactions for clients because we believe that the broker's reports are particularly insightful and useful. To the extent that the transaction fees or commissions charged by that broker might be higher than those another broker might charge, in recognition of the value of such reports, we may still use an executing broker. Any product or service we receive from that executing broker assists us in our investment decision process has value to all or many of our clients. By selecting an executing broker, however, we have a conflict of interest to the extent that Highline receives valuable research that is ultimately paid for by clients through commission dollars, rather than Highline.

Principals and employees of Highline are provided access to the same trading platforms used by discretionary clients of Highline. Accounts of these principals and employees enjoy the same benefits - such as lower mutual fund transaction fees, access to institutional class funds which normally have lower expense ratios, the ability to purchase some load funds on a load-waived basis, and access to certain funds that are closed to retail accounts - and are subject to the same fee, cost and expense schedules as any Highline discretionary account. Were it not for the business that Highline does with these brokers on behalf of its clients, access to these platforms would not be available for accounts of principals and employees of Highline. Therefore, the Firm has an incentive to continue to do business with those brokers on behalf of clients, even if doing so is not entirely in the best interests of clients. We periodically evaluate the services and prices of other trading platforms and believe that our clients continue to benefit from those prices and from the overall quality of services at these organizations.

Charles Schwab Custodian Arrangement

Highline recommends Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as a qualified custodian. Highline is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when Highline instructs them to do so. While Highline may recommend that clients use Schwab as custodian/broker, clients will open an account with Schwab by entering into an account agreement directly with them. Schwab offers independent investment advisers certain services, which include custody of client securities, trade execution, clearance and settlement of transactions. Highline receives some benefits from Schwab, which are similar to the benefits outlined above.

Principal Custodian Arrangement

Principal is an SEC-registered financial firm. Principal offers services to a variety of retirement plans, which include plan setup and administration, custody of securities, trade execution, clearance and settlement of transactions.

Capital Group - American Funds Custodian Arrangement

The Capital Group Companies, Inc. is the parent company to several investment management subsidiaries including Capital Research and Management Company, investment adviser to the American Funds family of mutual funds and Capital Guardian Trust Company, and investment adviser to several institutional funds and client accounts. Capital Group manages over \$1 trillion in assets for individual mutual funds, large and small defined contribution and defined benefit plans, foundations, endowments and other institutional clients that together represent over 50 million customer accounts.

Automatic Data Processing Inc. (ADP) Custodian Arrangement

Automatic Data Processing (ADP) is a global business outsourcing services provider headquartered in Roseland, N.J. ADP is one of the largest payroll outsourcing providers in the

world, and was an early adopter of a cloud computing operating model. According to executives, the vendor cuts paychecks for one in six Americans.

Pontera

Pontera is a separate company, unaffiliated with Highline, which provides technology allowing Highline to access a client's sub-account within their company's 401(k) plan for investment review, reallocation, rebalance, and trade purposes only. Pontera's technology is Highline's only access point to the account. The client also reviews and executes a separate agreement directly with Pontera defining their services and technology, details of which can be found in the document entitled, "Pontera End User License Agreement."

Human Interest

Human interest is a separate company, unaffiliated with Highline, which helps small and medium-sized businesses offer low-cost, high-quality retirement plans to their employees.

Empower Plan Services, LLC (Empower) (Formerly Great Western)

Empower is a retirement plan recordkeeping financial holding company based in Greenwood Village, Colorado. It is the second largest retirement plan provider in the U.S. Empower provides retirement savings products and services for public, corporate and nonprofit employers, and recordkeeping and administrative services for other providers of defined contribution plans.

Trade Aggregation and Allocation

Highline does not aggregate orders for buying or selling shares of no-load or load-waived mutual funds within any of the investment management programs since each client that transacts with a specific mutual fund with a designated executing broker on the same day obtains the same execution price (the fund's net asset value for that day), priced at the end of each trading day, and pays the same transaction charge.

We aggregate orders for buying and selling shares of ETFs, closed-end funds, and individual stocks or bonds when we are able to ensure that clients with the same objective obtains the same execution price on a given day. We do this by placing a block trade with the executing broker. Block trades are sometimes separately placed with the custodial/clearing firm for clients with different objectives within the investment management programs and that they may be executed at different times of the day, and at different prices.

Item 13. Review of Accounts

Market conditions and individual investments held by clients are monitored daily and reviewed monthly. Special reviews may be initiated whenever important fundamental, technical, cyclic or chart pattern developments occur or when important information sources are released, upon the consideration and judgment of the Investment Committee. All asset allocation, timing and selection decisions and recommendations within all investment management programs are made with the input, recommendations, and judgment of the Investment Committee.

The individual target date funds, the funds included in the Highline Model Portfolios (when utilized in each plan), and all the mutual funds included within the Individual Mutual Fund Lineup are not managed by Highline as each fund has a separate fund manager. In addition, since each plan participant makes his or her own individual allocation decisions independent of Highline, the Firm is not responsible for the suitability or performance of the personal portfolios created by plan participants. We simply manage the model portfolios, if selected, and select target date and other non-target date mutual funds which we recommend for inclusion as investment options for all plan participants.

Highline Portfolio Review reports are furnished to clients on a semi-annual basis, based upon the review dates initially specified for the client, and may be delivered via mail or electronically. A semi-annual portfolio review consists of four reports: (1) the Market Overview, (2) Total Portfolio-Net of Fees, (3) Current Account Holdings, and (4) Account Overview-Net of Fees.

The Market Overview report includes Highline's Quarterly Commentary and a table summarizing the performance of several market indices during the six-month review and year-to-date periods. The Total Portfolio-Net of Fees report shows the change in value of the portfolio during the review and year-to-date periods, two graphs - one depicting the allocation by asset class of the portfolio holdings and the second depicting the allocation of the portfolio by account, and a table showing the returns for each account within the portfolio for the review period. The Current Account Holdings report resembles a "snapshot" of each account as of the review date and provides details regarding the individual holdings such as cost basis, market value and each holding's allocation within the account. The Account Overview-Net of Fees report shows a graph indicating the Allocation by Asset Class, a table noting the change in value of the account during the review and year-to-date periods, a chart depicting the portfolio value over time and a chart showing the performance of the account versus the benchmark. Formal semi-annual reviews are prepared by the Chief Operations Officer.

Some clients request quarterly portfolio valuation reports. We may agree to provide quarterly reports at our discretion. Quarterly portfolio valuations consist of the Market Overview, Total Portfolio-Net of Fees, Current Account Holdings, and Account Overview-Net of Fees reports. These reports are identical to those provided for semi-annual valuations except the Quarterly Performance and Performance Summary reports cover a period of 3, rather than 6, months.

Clients in the Corporate Services program receive quarterly portfolio valuation reports that are delivered either by mail or electronically by the plan record-keeper and/or custodian. These reports are like the reports described above and include an additional report which monitors the quarterly performance of the individual mutual funds contained within the investment options selected by the plan sponsor for the plan.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits Received

Highline recommends that clients use Charles Schwab as their custodian and broker of record. While there is no direct link between the investment advice given to a client and our recommendation to clients to use Schwab as their custodian broker, certain indirect economic benefits are received by us due to these arrangements.

We receive an economic benefit in the form of the support products and services Schwab makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

While the Firm and our associated persons always endeavor to put the interest of the clients first, as part of our fiduciary duty, clients should be aware that receipt of indirect economic benefits itself creates a conflict of interest. To help ensure that clients are receiving best execution and to address the conflict of interest surrounding this arrangement, we perform periodic reviews of the quality of execution, order routing practices, and overall services provided by Schwab.

B. Client Referrals

At the present time, Highline does not compensate third parties for client referrals, nor receive compensation for referring clients to third parties. See also Item 4.B.6, Other Services and Item 12, Brokerage Practices.

Item 15. Custody and Client Communications

Highline does not maintain possession or custody of any client funds or securities for any investment program. If requested by the client, Highline will be deemed to have constructive custody of client funds if the Firm has the authority and ability to debit its fees directly from clients' accounts per the Firm's signed agreement with that client. To mitigate these conflicts of interests, all Highline client account assets will be maintained with an independent qualified custodian. Generally, Highline recommends Charles Schwab for custodial services, but from time to time, other custodians may be recommended by Highline to custody client assets. Notably, in most cases, a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets held at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting, and technology. Each client will receive account statements and trade confirmations from the client's broker, bank or other qualified custodian using the form of delivery previously selected by each client with their broker, bank, or custodian.

Individual Services

Account statements and trade confirmations are typically delivered either by mail or electronically by the client's broker, bank, or custodian. Clients should carefully review these documents, as well as any other notifications sent to them by their broker, bank, or custodian. In addition, all clients are advised to carefully compare their brokerage, bank, or custodian statements with the semi-annual reports they receive from Highline.

Many of our clients give us the authority to withdraw our management fees directly from their account(s), through their broker, bank, or custodian. These clients should carefully review their monthly or quarterly brokerage, bank, or custodial statements for such charges to ensure that they are consistent with the fee schedule designated in their signed copy of the Highline Investment Advisor Agreement.

Corporate Services

Account statements and trade confirmations are typically delivered either by mail or electronically by the plan's record-keeper or custodian. Clients should carefully review these documents, as well as any other notifications sent to them by their record-keeper or custodian. In addition, all clients are advised to compare their custodian statements with the reports they receive from Highline.

Some of our clients give the plan's record-keeper the authority to withdraw our management fees directly from plan assets, through their custodian. These clients should carefully review their monthly or quarterly custodial statements for such charges to ensure that they are consistent with the fee schedule designated in their signed copy of the Highline Investment Advisor Agreement – 401(k) Plan.

Item 16. Investment Discretion

For most clients in Private Wealth Management, Corporate Services, and Family Office Services and all clients in the Investor Services, Highline holds discretionary investment authority over the assets in the client's account. This means that Highline has full investment discretion over (1) which securities are to be bought or sold in client accounts; (2) the amount of securities to be bought or sold in client accounts; and (3) when transactions are made. Before Highline accepts this investment authority, the client must first complete and sign our written Investment Advisor Agreement for discretionary clients. This agreement gives Highline a limited power of attorney to implement transactions on behalf of the client on a discretionary basis within all of our investment management programs. For retirement plans within Corporate Services, Highline will recommend changes to the investment lineup or model portfolios (if available). These changes are typically implemented by the record-keeper and/or the custodian.

For each discretionary account Highline manages, the client will establish a Limited Power of Attorney with their custodian authorizing the Firm to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent for the account. At the present time, most Individual Services clients establish an account with Charles Schwab Institutional. Corporate Services clients also establish an account with ADP, Principal or Capital Group - American Funds. In our opinion, these institutions provide a competitive combination of efficient executions, fees, and back-office services. Clients within the Family Office Services need not select one of these custodians to retain Highline to manage an account. In this circumstance, however, Highline must approve the broker or custodian recommended by the client.

Clients within all the investment management programs normally do not place any limitations on the investment discretion of Highline. However, a client within any program may impose restrictions, including on the purchase or sale of certain securities. These clients must also complete a written Investment Advisor Agreement and, in addition, must specify the precise nature of the limitations placed upon our management of the account in writing.

Item 17. Voting Client Securities' Proxies

For all clients, Highline does not vote proxies with respect to client securities held at brokerage firms or custodial banks. The brokers and custodial banks are responsible for forwarding all proxies and related materials directly to the client. Thus, each client maintains the exclusive right and responsibility for voting proxies for securities held in his or her account.

Highline shall not be deemed to have proxy voting authority solely because of providing advice or information about a particular proxy vote to a client.

Highline does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

Item 18. Financial Information

Highline does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and is not required to provide a balance sheet. Currently, Highline does not have any financial condition that is likely to impair our ability to meet our contractual commitments to clients.

Privacy Policy Notice

Your relationship with Highline is based on trust and confidence.

Protecting your privacy is very important to us. Our goal is to treat the personal information you furnish us with the utmost respect and in accordance with this Privacy Policy. We request that you carefully read this Privacy Policy. By doing business with Highline you are agreeing to the terms set forth in this Privacy Policy.

This policy describes the types of personally identifiable information (“PII”) we may collect from you or that you may provide, and our practices for collecting, using, maintaining, protecting, and disclosing that information. PII includes information such as your name, address, phone number, ZIP code, email address and similar information.

Personal Information We Collect and How We Collect It

In providing you wealth management services, we collect certain nonpublic personal information about you. Our policy is to keep this information strictly confidential, and to use or disclose it only as needed to provide services to you, or as permitted by law. Our privacy policy applies equally to our former clients, as well as individuals who simply inquire about the services we offer.

The nonpublic personal information we have about you includes what you give us when you open an account, or communicate with us about your account, such as your name, address, social security number, employment information, investment objectives, financial circumstances, account transactions and holdings.

You can call us for general information anonymously or visit us on the internet without telling us who you are or revealing any information about yourself, including your name and email address.

There are times when we may ask you for information about yourself to assist us in meeting your various needs. In these cases, you and your browsing will no longer be anonymous to us. To provide these services, we may need to ask you directly to provide, among other things, your name, physical address, zip code, email address, phone number, and other personal information.

Please note that we do not knowingly solicit information from minors, and we do not knowingly market our products or services to minors.

How We Use and Share Your Information

We use and may share nonpublic personal information about you only to outside firms that provide necessary services for your account, such as your account custodian or broker-dealer, or as authorized by you or permitted by law. We may use information that we collect about you or that you provide to us, including any personal information, for any purpose including, but not limited to:

- Providing you with materials you have requested
- Contacting you for other financial products
- Personalizing our contact with you

- Operating, providing, improving, and maintaining our website
- Developing new products and services
- Preventing abusive and fraudulent use of our website
- Sending you administrative messages, content and other services and features in which we believe you may be interested
- Any other administrative and internal business purposes permitted by law

Protection of Your Information

We restrict access to nonpublic personal information about you to those persons who need to know it or who are permitted by law to receive it. We use a variety of security measures to protect against the loss, misuse, and alteration of information under our control by maintaining physical, electronic, and procedural safeguards to protect the confidentiality of your information.

Although we make good-faith efforts to maintain the security of such information, we cannot guarantee that it will remain free from unauthorized access, use, disclosure, or alteration. Further, we cannot guarantee that our security measures will prevent unauthorized persons from accessing or obtaining this information. We assume no liability to you or any other party in relation to the unauthorized access, use or alteration of any information provided to us.

Notification in the Event of Data Breach

As previously stated, although we make good-faith efforts to maintain the security of your information, we cannot guarantee that it will remain free from unauthorized access, use, disclosure, or alteration. In the event your personally identifiable information is breached by an unauthorized party, we will comply with applicable laws in notifying you of the breach.

Accessing or Correcting Your Information

You may access the data collected by us about you by sending a request to the address listed below. If you believe that an error has been made in the accuracy of the information collected from you, we will correct such error upon adequate verification of the error and the identity of the person seeking the correction.

If you wish to access, remove, or correct any personally identifying information you have supplied to us or if you have any questions about this Privacy Policy, you may contact us by sending a letter via the U.S. Mail to: Privacy Officer, 15260 Ventura Blvd., Suite 855, Sherman Oaks, CA 91403. Please understand that to protect your privacy and security, we may also need to take reasonable steps to verify your identity before granting access or making corrections.

Sharing Information and Consumer Choice

When you provide information to us, we may share your information, to the extent provided by applicable law, with our affiliated companies and third parties for the purpose of fulfilling your requests as well as offering you other services that may be of interest to you. It is not shared with any third party, unless requested by you or permitted by law. Under no circumstance will we sell your information or transfer your information to any ad network, ad exchange, data broker or other advertising or monetization related service. We may also aggregate statistics that we gather about our customers, sales, traffic patterns and services, and provide these statistics to third parties; however, when we do, these statistics will not include any personal information that identifies individuals.

Opt-Out Provisions

Highline does not sell clients' nonpublic personal and financial information. Highline does not share nonpublic personal and financial information with affiliated or unaffiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service client accounts or is mandated by law, there are no allowances made for clients to "opt out".

Changes to This Privacy Policy

We reserve the right to modify or supplement this Privacy Policy statement at any time. If we make any material change, we will update our website to include such changes. A notice that our privacy policy has been updated will be displayed on our website homepage. We ask that you periodically visit our website and this privacy policy to check for any changes.

Contact Information

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in Item 19 of this Disclosure Brochure. We reserve the right to change this policy at any time and you will be notified if any changes do occur.

If you have any questions after reading this Privacy Policy, please contact our Chief Compliance Officer, Lisa Sternberg, at lisa@highlinewp.com, by phone at (818) 340-0157, or by writing to the address on the cover page of this Disclosure Brochure.

Business Continuity and Disaster Recovery Plan – Client Disclosure Notice

Highline maintains a written Business Continuity and Disaster Recovery Plan to safeguard client data and other information and records from significant business disruptions such as data breaches, natural disasters, and varying other unforeseen circumstances.

We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records. In short, our disaster recovery and business continuity plan is designed to resume operations from a business disruption as quickly as possible, given the scope and severity of the significant business disruption.

Our Plan addresses:

- Cyber-attacks, data backup and recovery; all mission critical systems;
- financial and operational assessments;
- alternative communications with clients, employees, and regulators;
- alternate physical location of employees;
- critical supplier, contractor, bank and counter-party impact;
- regulatory reporting, when necessary;
- training of all Highline employees,
- testing our Plan on an annual basis, at a minimum, and
- assuring our contacts have prompt communications with Highline personnel.

While every emergency situation may pose unique challenges based on external factors, such as time of day and the severity of the disruption, we have been advised and assured by our custodial firms that their objectives are to restore operations within the same business day.

You can access our full Client BCP Client Notice on our website, www.highlinewp.com.