Yousif Capital Management, LLC

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This Brochure provides information about the qualifications and business practices of Yousif Capital Management, LLC ("**YCM**"). If you have any questions about the contents of this Brochure, please contact us at 248-885-8786 or our Chief Compliance Officer ("**CCO**"), Rosanna Bennett, at rbennett@yousifcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Yousif Capital Management, LLC is registered as an investment adviser with the United States Securities and Exchange Commission ("**SEC**") under the U.S. Investment Advisers Act of 1940, as amended ("**Advisers Act**"). Registration with the SEC does not imply any level of skill or training.

Additional information about Yousif Capital Management is also available on the SEC's website at https://adviserinfo.sec.gov/.

ITEM 2 – MATERIAL CHANGES

This Item is used to provide Clients with a summary of material changes as defined by the SEC, including additional information we deem to be relevant for our current and prospective Clients. "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services – any information that is critical to a Client's full understanding of who we are, how to find us, and how we do business.

Since YCM's annual filing on March 29, 2022, the Firm is disclosing the following material changes to our Form ADV Part 2A Firm Brochure:

Item 5 – Fees and Compensation was revised, and the fee schedule table was removed. Our standard advisory fee, which has not materially changed, is generally within the range of .08% and .35%, annually, depending on the specific strategy, Client domicile, and account complexities. All other material information related to Management Fees, Sub-Advisory Arrangements, Other Costs Involved, Termination of the Advisory Relationship, and ERISA Accounts remains unchanged.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss was updated to reflect additional Geopolitical and Natural Disaster risks.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading was updated to include Blackout Periods for portfolio managers during which portfolio managers are prohibited from trading in his/her personal trading account and a new "Grey List" which includes the names of securities YCM deems higher risk and for which Employees must obtain preclearance prior to placing a trade in his/her personal trading account.

Item 14 – Client Referrals and Other Compensation was updated to reflect that the term "solicitor" has been replaced with "promoter" in accordance with the new Marketing Rule, 206(4)-1 of the Investment Advisers Act of 1940.

Item 17 – Voting Client Securities was revised to provide information regarding conflicts of interest and performing annual due diligence on our proxy advisory firm.

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ITEM 4 – ADVISORY BUSINESS

Yousif Capital Management, LLC ("**YCM**", the "**Firm**" or "**we**") is a limited liability company formed under the laws of the State of Michigan. The Firm is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the "**Advisers Act**"). YCM was founded in January 2021 by Kevin K. Yousif, CFA, who is the President, and sole owner of YCM. The Firm operates from a single office in Bloomfield Hills, Michigan.

Description of Advisory Services

YCM is an investment advisory Firm that focuses on rule-based investment strategies, utilizing a combination of primarily equities, fixed income securities, and Exchange Traded Fund ("**ETF**") products to create proprietary models based on industry benchmarks which are tailored to address Client's investment objectives and risk tolerance. YCM provides advisory services tailored to meet the specific needs and requirements of each Client, including those that have a socially responsible view toward investments. YCM provides investment advisory services to individuals, corporations, municipalities, Taft-Hartley Clients, faith-based organizations, banks, captive insurance companies and other regional investment advisors (each referred to as the "**Client**", collectively the "**Clients**"). Such services are provided on a discretionary basis, although YCM accepts Clients' trading instructions from time to time. Clients may place investment restrictions or guidelines on their account(s).

YCM manages Client assets in separately managed accounts (each an "**SMA**" or "**Client Account**"). A SMA is a dedicated account owned by a single Client and governed through an investment management agreement (**"IMA**") between the account owner and YCM. Each Client also completes an investment policy statement ("**IPS**") or similar document outlining Client Account investment objectives, risk tolerance and relevant information that assists YCM with structuring Client Account holdings.

Sub-Advisory Arrangements

YCM has established relationships with other independent investment advisers or investment program sponsors pursuant to which YCM serves in a sub-advisory capacity and provides investment advisory services to Clients of the other investment adviser or investment program sponsor. When we participate in an arrangement sometimes known as a “managed account program” (“wrap program” or “program”), we make one or more of our proprietary strategies available to Clients of the investment adviser sponsoring the program. The sponsoring investment adviser determines if our strategy is suitable for its Client and submits the account to us for acceptance. If we accept the account, we manage the account with full discretionary trading authority and in accordance with any reasonable investment restrictions requested by the applicable Client of the sponsoring investment adviser. In these cases, we generally do not have an agreement or any direct, contractual relationship with the Client. Instead, we enter into a sub-advisory agreement with the sponsoring investment adviser. The sponsoring investment adviser establishes the fee which the Client pays, and we receive a portion of the fee for our advisory services from the sponsoring investment adviser as agreed upon in the sub-advisory agreement. If a Client’s investment adviser desires us to provide investment management services to the Client and to have a direct, contractual investment management relationship with the Client, we provide sub-advisory services through a tri-party agreement among the Client’s investment adviser, the Client and YCM. If the Client is a retail Client, the other investment adviser determines the suitability of the strategy for that retail Client. In these arrangements, the investment adviser selects us to manage a portion of the Client’s assets in accordance with a particular model. We will manage the assets in accordance with the Client’s investment guidelines, including any restrictions. In those situations, we receive our fee directly from the Client as agreed upon in our agreement with the investment adviser and the Client. We may also receive our fee through the custodian who directly charges the Client’s account.

ERISA Accounts

YCM will act as a 3(21) fiduciary providing investment recommendations to plan sponsors and/or trustees and/or as a 3(38) investment manager, relieving the plan sponsor or trustee of their fiduciary responsibility and assuming the investment management decision making for the plan.

Clients we service are employee benefit plans, Taft-Hartley pension trusts, or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the Code), respectively. As such, YCM is subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation. YCM does not receive any commissions or trailing fees such as 12b-1 fees on any securities we manage. YCM monitors investment guidelines, provides specified reporting and complies with other conditions as specified in each Client's IMA.

<u>Assets under Management (Regulatory Assets under Management)</u>

As of December 31, 2022, YCM currently has $ 12,103,858,871 in Regulatory Assets Under Management ("**RAUM**") on a discretionary basis. YCM does not manage regulatory assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

<u>Management Fee</u>

As compensation for our investment management services, we charge an advisory fee, which is stated as a percentage of our Client's assets under our management. Our standard advisory fee is generally within the range of .08% and .35%, annually, depending on the specific strategy, Client domicile, and account complexities. YCM reserves the right to waive or reduce fees based on our discretion. Clients could pay a higher advisory fee depending on the specific investment mandate. Strategies and other factors, such as those based on certain index providers, specialized strategies, socially responsible strategies, account size and customized reporting requirements will effect the advisory fee a Client will pay.

The minimum annual fee for YCM investment advisory services is $10,000. YCM's fees, including minimum annual fees, are negotiable. In YCM's sole discretion, we may increase or decrease our management fee and/or waive or adjust minimum annual fees based upon criteria such as the scope of the engagement, client longevity, anticipated future additional assets, dollar amount of assets to-be-managed, related accounts, account composition, reporting requirements, customization of investment process, special meeting requirements or account retention, among other factors. All investment management fees charged by YCM are provided in the Client's investment management agreement or sub-advisory agreement. YCM takes into consideration the investment mandate, total market value of the account, reporting requirements, customization of the investment process, customization of the reporting process, special meeting requirements, and other factors provided above to negotiate fees with each client. YCM may also aggregate related accounts for fee billing purposes.

Fees are generally billed quarterly, in arrears, on the basis of the fair market value of assets in the portfolio, including cash and accruals, unless otherwise described in the investment management agreement, computed as of the last business day of the preceding calendar quarter. YCM expects to have certain clients who will be charged in advance pursuant to a tri-party discretionary investment management agreement or sub-advisory agreement with investment program sponsors. Some Clients authorize YCM to debit management fees from the Client's custodial account. Pursuant to the Client's investment management agreement, certain factors will influence the amount of the quarterly fee, including but not limited to, the amount of assets invested and the timing of adding or withdrawing capital. Client Accounts initiated or terminated during a calendar quarter are charged a prorated fee based on the actual number of days in the applicable calendar quarter for which we were entitled to receive a fee based on the date we received termination notice. Fee refunds will be sent, as soon as practicable, to Clients billed in advance should the Client terminate our agreement after the billing period.

Sub-Advisory Arrangements

When we manage an account through a sub-advisory arrangement, we typically receive a portion of the fee charged by the account investment adviser or investment program sponsor, in accordance with the sub-advisory agreement between us and the account investment adviser/investment program sponsor. The fees paid to us through one sub-advisory relationship are not necessarily the same as fees paid to us through other sub-advisory relationships and are based on many factors including the breadth and complexity of the services we provide, the amount of assets and style of the portfolios we manager or advise upon, and the negotiations between us and the account advisers/program sponsors.

Other Costs Involved

Advisory fees payable to us do not include all the fees you may pay when we purchase or sell securities for your Account(s). The following list of fees or expenses is what you may pay directly to third parties, whether a security is being purchased, sold or held in your account(s) under our management. We do not receive, directly or indirectly, any of these fees charged to you. They are paid to the broker, custodian, or other third party on an investment you may hold. Typically, these fees include, but are not limited to:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- Advisory fees and administrative fees charged by Exchange Traded Funds (ETFs);
- Custodial Fees;
- Odd-Lot differentials;
- Financial transaction taxes collected for trades and other fees on certain foreign ordinary securities or ADR's;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions; and
- Non-resident alien tax withholding (if applicable).

For a discussion of YCM's practices regarding broker selection, see Item 12 – Brokerage Practices.

In addition, we do not have or employ any "employee" that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting expertise / services. As a result, we are considered a "fee only" investment adviser.

Termination of the Advisory Relationship

Our standard agreements provide for termination by either YCM or the Client by providing 30 days' written notice to the other party, but we agree to other termination provisions from time to time. Upon termination, YCM will either bill Clients or issue a refund based on the earlier of 30-day notice period or liquidation and transfer of the account.

ERISA Accounts

Fees for ERISA accounts will be based on the investment management agreement signed between the Firm and the plan administrator. In these circumstances, YCM is being engaged only for the purpose of managing a portion of the assets of the Plan and does not interact with nor provides investment advice directly to any participants in the plan.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

YCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

ITEM 7 – TYPES OF CLIENTS

YCM provides investment advisory services to a number of different types of Clients, including but not limited to:

- Individuals;
- Trusts, estates and charitable organizations;
- Banking or thrift institutions, including bank collective and common trust funds;
- Other investment advisers
- Corporations or other business entities;
- Taft-Hartley plans, governmental plans, municipalities;
- Qualified plans subject to ERISA;
- Not-for-profit entities;
- Captive Insurance Companies; and
- Institutional Clients of a third-party asset-based investment management program.

YCM generally requires that an account meet minimum annual fee amounts as described in our fee schedules (See Item 5 – Fees and Compensation). However, we can waive this requirement under certain conditions, such as for Clients with multiple accounts where the aggregate fee amount from all accounts exceeds the separate account minimums.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We obtain equity, credit and economic research information from a number of sources, both public and by purchase, including but not limited to: financial newspapers and magazines, research materials prepared by third parties, corporate rating services, annual reports, prospectuses and filings with the SEC, and company press releases. We believe these sources of information are reliable and we regularly depend on these resources for making our investment decisions.

Equity Strategies

For YCM's domestic and international equity strategies, we use quantitative tools to create model portfolios that produce returns that are generally similar to the returns of a market index, predetermined benchmark or customized benchmark. Quantitative methodologies for our international equity strategies may also include a sampling of foreign stocks that make up the largest portion of the index's value in the same proportion as the index. When choosing smaller stocks for an equity strategy, our objective is to select a sampling of stocks that will generally match the industry and risk characteristics of all of the smaller companies in the relevant index or benchmark without buying all of those stocks. This methodology attempts to maximize liquidity while minimizing costs. Further, these strategies may be modified to permit the creation of portfolios that consider certain investment restrictions imposed based on a Client's specific investment guidelines or social and religious beliefs.

YCM's portfolio management strategies include index replication, which is focused on building Client investment portfolios with results that closely resemble those of a market index, such as the S&P 500® Low Volatility Index, S&P 500® Dividend Aristocrats Index, or other publicly available indexes. YCM develops and manages investment models structured to replicate index performance which are then further tailored to meet the investment objectives of YCM's Clients. Client equity portfolios generally invest in U.S. common stocks, American Depository Receipts (or "ADRs"), developed and emerging market foreign stocks, and Exchange Traded Funds ("ETF's").

YCM's foreign ADR strategy includes foreign company stocks that trade in the U.S. (primarily through ADRs and U.S. listed common stocks). The index universe for this strategy consists of foreign domiciled common stocks and ADRs (collectively, stocks) with market capitalization of at least $250 million. Stocks will be removed from the universe if the market capitalization should fall below $100 million. Stocks that are included in U.S. indices, for example, the S&P 500®, S&P 400, and S&P 600, or are incorporated in the U.S., will be excluded from this universe to prevent duplication if you own S&P® investment-based products. On a continual basis, but no less than annually, the eligible list of securities will be created by accessing the database and consulting with the various exchanges and depository banks to confirm eligibility based on YCM's criteria. On a regular basis, securities will be added to the eligible universe (and to your portfolio as cash is available) as ADR facilities and exchange listings occur, provided these new listings meet YCM's other eligibility requirements.

Fixed Income Strategies

Bond portfolios can include U.S. and foreign government bonds, U.S. and foreign agency bonds, U.S. and foreign corporate bonds, asset-backed securities and/or mortgage-backed securities. Quantitative methodologies for our fixed income strategies typically include a stratified sampling of an index. We use the stratified sampling method due to its cost effectiveness, flexibility, and simplicity. In stratified samplings, an index is divided into sub-sectors based on asset sector, duration, maturity, quality, and coupon. Each sector is then broken down into detailed sub-sectors to reflect various corporate and agency issuers, then further stratified into one-year interval duration cells and again by credit quality, coupon and maturity. Bond portfolios are customized to meet Client objectives and investment guidelines.

YCM trading methodologies strive to minimize transaction costs. Portfolios are rebalanced periodically with cash flows. Timely index changes help support minimal tracking error. To minimize tracking error, YCM will consider equitizing cash and/or dividend accruals using ETFs. Cash positions are generally low.

Risk of Loss

The following are certain of the material risks involved in our investment strategies. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

YCM manages individualized portfolios for Clients based upon the Client's objectives, goals and risk tolerances. Investment programs have certain risks that are borne by the Client, which are described below.

Market Risks

Market Volatility. The profitability of the portfolios substantially depends upon the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. In recent years, investment markets have been prone to greater volatility, which may adversely affect the ability to realize gains at a given point in time.

Investment Activities. The investment activities involve a significant degree of risk. The performance of any investment index is subject to numerous factors including a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies.

Material Non-Public Information. If, at any time, principals or employees of YCM acquire confidential or material non-public information or are otherwise restricted from initiating transactions in certain securities, YCM is not free to act upon any such information. Due to these restrictions on material non-public information, YCM may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Market or Interest Rate Risk. The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If a Client's portfolio holds a fixed income security to maturity, the change in its price before maturity may have little impact on the security's performance; however, if the security is sold before the maturity date, an increase in interest rates could result in a loss.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if an investor purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the investor is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Foreign Market Risk. Investment in foreign securities involves unique risks that are not present in U.S. investments, which can increase the chances that an account will lose money. For example, the value of foreign securities may be affected by fluctuations in currency exchange rate, foreign political instability, and foreign laws relating to foreign investment. Additional risks include trading, settlement, custodial, and other operational risks; withholding or other taxes; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign securities less liquid, more volatile, and harder to value than U.S. securities.

Currency Risk: Currency risk is the risk that your position in an FX Transaction will be adversely affected by changes in the relative value of the relevant currencies. The value of any one particular currency versus another is, by and large, determined in the same manner as for all commodities – by supply and demand. For any country issuer, the ultimate supply of currency is primarily a function of the creation of money by its or other currency central bank, but in a practical sense the supply of a particular currency may be affected by many factors including international trade settlements, speculative trading activity, merger and acquisition transactions, central bank action, and cross border interest rates. The transactional demand for a currency is similarly affected by corporate and investor activity, though the driving force is frequently related to the economic performance of the subject country or issuer, its political stability, state rates of inflation. - sponsored impediments to the movement of capital, and other factors such as anticipated

Regulatory Risks

Strategy Restrictions. Qualified employee benefit plans and certain other institutional investors may be restricted from directly utilizing investment strategies or making certain specific investments. Such institutions should consult their own advisers, counsel, and accountants to determine what restrictions may apply and whether an investment is appropriate.

Trading Limitations. For all securities listed on an exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue. Also, such a suspension could render it impossible to liquidate the security.

Firm-Specific Risks

Limited Operating History. YCM has a limited operating history for prospective Clients to evaluate prior to selecting us as an investment adviser.

Key Man Risk. As the sole owner of YCM, Mr. Yousif is critical to YCM's management of Client Accounts and the management of the Firm. However, YCM does not maintain possession of Client assets. Accordingly, any succession plan implemented by YCM or any termination of a Client's agreement with YCM after the departure of Mr. Yousif would not affect the maintenance of Client assets at the relevant custodian in the name of the Client.

Operational Risk. Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities.

Cybersecurity Risk. YCM's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The implementation of various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly have been undertaken by YCM. The failure of these systems and/or or disaster recovery plans for any reason could cause significant interruptions in YCM's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personally identifiable information relating to Clients. Such a failure could harm YCM's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of YCM's information, technology or security systems could have an adverse impact on its ability to manage Client Accounts referred to herein.

Geopolitical/Natural Disaster/Epidemic Risk. Global economies and financial markets are increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely affect issuers in another country or region. Geopolitical and other risks, including war, terrorism, trade disputes, political or economic dysfunction within some nations, public health crises and related geopolitical events, as well as environmental disasters such as earthquakes, fire, and floods, may add to instability in world economies and markets generally. Changes in trade policies and international trade agreements could affect the economies of many countries in unpredictable ways. An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including YCM's business, and may adversely affect the performance of the global economy, including causing market volatility, market and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. YCM has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect YCM's business and/or the markets can be determined and addressed in advance.

Security Specific Risks

Liquidity. Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

Security's Assessment. The portfolio manager's assessment of any security's likely future performance will inherently be a prediction and it is subject to uncertainty and risk that the outlook might prove wrong. An outcome contrary to what the portfolio manager envisions may arise from a number of factors, such as: an erroneous assessment of the value offered by the security, either by wrongly anticipating earnings or misperceiving what a "standard" valuation should be for the type of security in question; a change in the fundamental business and industry dynamics that the portfolio manager fails to anticipate; an allocation of capital by the company that changes value and renders the forecasts invalid; or a mistaken reading of the future economic environment. If any of these risks materialize, the resulting loss, if any, would negatively contribute to the performance of the Client's portfolio.

This list of risks is not exhaustive and is subject to change.

ITEM 9 – DISCIPLINARY INFORMATION

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to the Client's evaluation of our Firm or the integrity of our management. We have no legal or disciplinary events to disclose.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

YCM is not affiliated with any other financial industry activity or institution.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pursuant to Rule 204A-1 of the Advisers Act, YCM has adopted a Code of Ethics and Employee Personal Trading Policy ("Code") that establishes various procedures with respect to investment transactions in accounts in which employees (each an employee and collectively the "employees") of YCM or related persons (such as members of their immediate household) have a beneficial interest or accounts over which an employee has investment discretion. The foundation of the Code is based on the underlying principles that:

- Employees must place the interests of our Clients first at all times;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at YCM.

All YCM employees are deemed to be "**Access Persons**" and are required to adhere to a comprehensive Code of Ethics and Employee Personal Trading Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code. Our Code of Ethics and Employee Personal Trading Policy is distributed to each employee at the time of hire and is re-certified annually thereafter. We also supplement the Code of Ethics with annual training and ongoing monitoring of access persons trading activity.

Participation or Interest in Client Transactions

YCM does not purchase or sell securities for its own account or otherwise expect to participate or have an interest in Client transactions. Portfolio Managers of YCM may buy or sell the same securities for their own personal accounts as are held in Client Accounts. When trading for themselves, Portfolio Managers are prohibited from trading ahead of Clients on an index rebalance trading day. YCM's Code of Ethics and Employee Personal Trading Policy addresses this issue and other fiduciary provisions that all Employees must comply with.

Summary of Code of Ethics

YCM's Code includes the following other information:

- Procedures to detect and prevent the misuse of material non-public information in securities transactions;
- Policies for both giving and receiving gifts to/from a Client, prospective Client or person or entity that does business with or on behalf of YCM;
- With respect to personal securities transactions, the Code requires all access persons to report (on an ongoing and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by the regulation). Employees must direct their brokers to send transactions and holdings through a direct feed to YCM's third-party personal trading provider or to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies. Annually, we require all employees to re-certify to the Code;
- Blackout Periods during which Portfolio Managers are prohibited from trading in their personal trading account;
- "Grey List" which include names of securities YCM deems higher risk and for which the Firm requires its Employees to obtain preclearance prior to placing a trade in a personal trading account; and
- Prohibitions on acquiring directly or indirectly any security in an "initial public offering" (IPO) or a "limited offering" (sometimes referred to as "private placements") for his or her own personal account without the prior written approval of the Chief Compliance Officer; and, service as a Director on the Board of any publicly-traded company or privately-held company without prior authorization from the Chief Compliance Officer and President.

These policies apply to any personal transactions involving equity securities, including exchange traded funds, debt securities, options, and futures. This policy does not apply to transactions involving government securities, open-end mutual funds, or money market. YCM's Code of Ethics and Employee Personal Trading Policy are available to Clients upon request.

ITEM 12 – BROKERAGE PRACTICES

YCM has discretionary authority to manage the Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the investment management agreement with the Client.

Best Execution

As an investment advisory Firm, we have a fiduciary duty to seek best execution for Client transactions. Where we have discretion over the choice of broker-dealer, as a matter of policy and practice, we seek to obtain best execution for Client transactions (i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances). We maintain a list of broker-dealers with whom we may place trades for Client accounts. Our Trade Oversight Committee approves additions to the list, monitors and reports on broker-dealer regulatory events periodically, and performs an annual review for each broker-dealer on the list to ensure continued satisfaction with the service being provided.

Our portfolio managers and trading personnel are responsible for selecting the brokers through which we execute Client trades and negotiating associated broker commissions or yield spreads, as applicable. Our Trading Oversight Committee reviews the commission charges and bid/offer spreads applicable to Client accounts monthly in order to assure itself that the costs are competitive. The lowest possible commission cost or best spread alone, however, does not determine brokerage selection. In selecting broker-dealers for our approved list, determining the specific firm to execute a portfolio transaction, and assessing the quality of execution, we consider a variety of factors, including, but not limited to:

- Best available execution price of the security;
- Ability to execute trades at market on close prices (for passive equity accounts);
- Commission rate;

- Size and difficulty of the order;
- Access to sources of supply or market;
- Financial condition;
- Integrity and reputation;
- Execution and operational capabilities including electronic trading (e.g., FIX);
- Knowledge of the market;
- Good and timely delivery and payment on trades;
- Ability to handle block trades; or
- Quality of brokerage services and research materials.

Research and Soft Dollars

YCM does not obtain third party research using soft dollar arrangements.

Nevertheless, YCM often receives unsolicited proprietary research reports and other informational materials from broker-dealers with whom we trade. We consider these materials routine and ancillary to the relationship and do not include any broker-dealers on our approved list based on the materials they provide to us. Further, we believe that these materials are provided at no additional charge and do not impact the commissions we pay.

Notwithstanding the foregoing, the research we receive is a benefit that we would otherwise have to produce ourselves or pay for directly if we did not trade with these broker-dealers. Because of this, we have an incentive to select the broker-dealer based on the availability of that research, rather than based on our Clients' interest in receiving the most favorable execution and may pay commissions (or markups or markdowns) in excess of those that other brokers charge for transactional services alone. In practice, however, given the basic nature of the materials received, YCM would not likely seek to replace any lost materials from termination of any of these brokerage relationships.

As a separate matter, since not all of our Clients invest in the same market segments or use the same type of investment strategy, not all of our Clients benefit equally from our use of certain research materials we receive. Nevertheless, we do not seek to allocate any such benefits proportionately across the accounts we manage.

Any soft dollar benefits that we could receive in the future would be eligible research and brokerage services within the definition of research under Section 28(e) of the Securities Exchange Act of 1934, as amended ("**Exchange Act**"). As such, we must determine in good faith that the amount of any commission paid is reasonable in relation to the value of the research and brokerage services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to accounts for which we exercise investment discretion. We must also determine that any research and brokerage services we receive provide lawful and appropriate assistance in the performance of our investment decision-making responsibilities.

To the extent we receive certain administrative benefits from the services provided by broker-dealers, and such benefits would not be considered research under Section 28(e) of the Exchange Act, we make a good faith determination of the portion the administrative benefits represent of the overall services provided and use our own resources to pay for such portion.

Aggregation of Client Orders

We generally aggregate trade orders for multiple Client Accounts, which are custodied at the same custodian to achieve more efficient execution or to provide for equitable treatment among the accounts. The Clients participating in aggregated trades are allocated securities based on the average price achieved for such trades.

Absent special circumstances (such as Client deposits occurring mid-day), all discretionary Client trades in advisory accounts executed on a single day with the same custodian, on the same side of the market, are averaged and allocated pro rata. This practice is designed to treat all Clients fairly on average but means that any particular Client's trade may receive a better or worse price than it would have had the trade not been aggregated with other Clients.

Directed Brokerage

YCM expects certain Clients to select specific custodians which YCM does not have established relationships and require trades to be directed to specific brokers for execution. In such circumstances, YCM discloses to Clients that YCM will make a best effort to achieve best execution on behalf of Client. There is no assurance that YCM will achieve a better price. Clients who direct brokerage generally will not be able to participate in aggregated trade orders.

<u>Allocation</u>

Our policy prohibits any allocation of trades in a manner that favors personal trading accounts or any particular Client(s) or group of Clients over other Client Accounts. We adopted a policy for the fair and equitable allocation of transactions that generally analyzes each trade on an investment-by-investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Client Accounts participate in a particular transaction, such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

<u>Cross Trading</u>

As a general matter, all trades executed on behalf of Client accounts at YCM are executed through the markets. Where it might be advantageous to YCM's Clients to engage in "cross trading" between Client accounts, YCM seeks to execute the trade through the market at appropriate transaction costs given the nature of the trade. Therefore, YCM generally does not engage in cross trades that would meet the definition of agency cross transactions.

To the extent that an agency cross trade may be necessary or appropriate for eligible Client accounts, prior written approval must be obtained by YCM's President and Chief Compliance Officer. YCM does not engage in cross trading for ERISA Clients.

<u>Trade Errors</u>

As a fiduciary, YCM has the responsibility to effect orders correctly, promptly and in the best interests of the Client. In the event an error occurs in the handling of any transactions due to YCM's actions, or inaction, or the actions of others, YCM's policy is to assess each trade error on a case-by-case basis and assure that the Client is made whole.

ITEM 13 – REVIEW OF ACCOUNTS

The Client Accounts are reviewed on a continual basis by Mr. Yousif and the Portfolio Managers in charge of the accounts. The Portfolio Managers and the CCO assures the account's conformity with investment objectives and guidelines. YCM engages in ongoing, regular portfolio management for the Client Accounts and, accordingly, reviews transactions, positions and cash balances on a daily basis. When reviewing accounts, the Portfolio Manager reviews compliance with Client investment guidelines. In addition, the GIPS Oversight Committee reviews composite performance quarterly so as to identify any Client account performance outliers.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis and all Clients have secure login access to their custodial accounts at all times. YCM distributes Client Account reports to Clients invested in separately managed portfolios at least quarterly. YCM acts as a sub-adviser to certain bank collective funds. Clients invested in the bank collective funds receive regular trust account reports from the custodian/trustee on either a monthly or quarterly basis, with an annual report at year end. YCM provides these Clients, upon their request or the Bank's request, on a monthly or quarterly basis, an account review showing collective fund performance compared to the benchmark over specific time periods. YCM also provides reports to Clients upon request.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, YCM may enter into solicitation (or "promoter") agreements pursuant to which YCM compensates promoters (formerly called "solicitors") for Client referrals that result in the provision of investment advisory services by YCM.

YCM has a promoter arrangement with the following company: Modern Portfolio Consultants, LLC. This promoter arrangement was assimilated to YCM through the acquisition of World Asset Management, Inc.

Under this promoter arrangement, YCM pays the promoter a referral fee ranging from 10% to 40% of the advisory fee depending on the type of account (separately managed or participant in a Comerica Bank collective fund). YCM also reimburses promoter expenses that have been pre-approved for such items, including but not limited to, marketing materials and travel or entertainment expenses. Comerica Bank reimburses YCM for a portion of the cost of the referral fee with respect to such referred Clients who invest in a Comerica Bank collective fund.

The payment term for promoter arrangement fees can range from one year to twenty-five years. Promoter payments are calculated and paid quarterly. Absent specific disclosure to a Client to the contrary, YCM bears the full cost of promoter fees and does not charge a referred Client any amount attributable to the cost of obtaining such referred Client's account in addition to YCM's regular investment advisory fee. The promoter agreement requires that the promoter perform under the arrangement in a manner consistent with YCM's instructions and the provisions of the Investment Advisers Act of 1940 and the rules thereunder. Among other things, the promoter must, at the time of solicitation, (i) provide each prospective Client with YCM's most recent Form ADV Part 2 as well as the promoter's written disclosure document; (ii) disclose fully to any prospective Client the material terms of the promoter's fee arrangement; (iii) provide YCM with a signed acknowledgement form for each prospective Client that the prospective Client was provided the promoter's written disclosure document; and (iv) not provide any investment management services or investment advice on behalf of YCM.

YCM's CCO oversees the promoter arrangement. On a quarterly basis, the promoter completes an attestation confirming whether he/she has solicited any prospective clients on behalf of YCM. If so, the promoter must confirm that the disclosure document and YCM's Form ADV Part 2 were provided to the prospective client. In addition, the promoter must attest to various statutory disqualification questions listed in the questionnaire. On an annual basis, the CCO reviews the promoter's Form ADV Parts 1 and 2.

ITEM 15 – CUSTODY

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of Client funds or securities. The Rule requires advisers that have custody of Client funds or securities to implement a set of controls designed to protect those Client assets from being lost, misused, misappropriated, or subject to financial reverses.

Pursuant to Rule 206(4)-2, YCM is deemed to have custody of Client Account's funds and securities because YCM may debit fees directly from the accounts of such Clients. Where it is determined that the Firm has custody of Client funds other than for the reason described above, those accounts will be subject to independent verification in the form of a surprise exam by a PCAOB approved independent auditing firm.

The qualified custodian of each Client account sends or makes available, on a monthly basis or quarterly basis, account statements directly to each Client. We urge Clients to carefully review these account statements from their qualified custodians and compare the information therein with any financial statements or information received or made available to Clients through us or any other outside vendor.

Upon request, we provide Clients with reports that include holdings, market values, gains and losses, transactions, performance or other available information. YCM's statements may differ from the official custodial statements based on accounting procedures, reporting dates and valuation methodologies of certain securities. While the information contained in our appraisals or other reports is compiled from sources that are believed to be reliable and accurate, we do not guarantee its accuracy. As a result, Clients should rely on their custodian's information provided in their monthly or quarterly statement for any financial, tax, or other reporting they may be required to perform. The Client's custodian statement is the official record of the Client's Account.

ITEM 16 – INVESTMENT DISCRETION

As noted in Item 4, YCM's primary business model involves providing discretionary advisory services to its Clients. At the commencement of the relationship and for each new Client Account, each Client executes an investment management agreement which grants YCM authority to execute trades in the account. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange, select on voluntary actions and otherwise trade any stocks, bonds or other securities or assets, and (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker dealer underwriters or issuers. Any limitations to such authority will be communicated by the Client to YCM in writing. Clients may specify investment restrictions. This is generally documented in the Client's investment management agreement. If we are selected as a sub-advisor, we will have discretionary trading authority over such Client's account pursuant to a sub-advisory agreement or tri-party agreement.

YCM does not execute trades on margin or in options without further written Client approval.

ITEM 17 – VOTING CLIENT SECURITIES

YCM has adopted policies and procedures reasonably designed to ensure that proxies are voted in its Clients' best interests and in accordance with its fiduciary duties and SEC rules. Proxy voting decisions are made according to guidelines that we believe protect the economic interests of our Clients while considering both short and long-term implications. YCM's Proxy Voting Committee has overall responsibility for monitoring YCM's proxy voting process.

We have engaged Institutional Shareholder Services, Inc. ("**ISS**"), an independent proxy voting advisory firm that specializes in the provision of proxy research, vote recommendations and related governance research services, to assist with the analysis, voting and record keeping of proxy ballots in accordance with general guidelines approved by YCM. ISS provides independent assessment and recommendations with regard to proxy ballot items for securities held in Clients' accounts. Clients may select special voting policies that align with their investment objectives or religious beliefs. YCM will generally vote proxies consistent with ISS recommendations without independent review unless otherwise directed by a Client or referred by ISS. YCM may have a conflict of interest related to voting certain securities of publicly held companies to which the Firm provides investment advisory services. Because proxies are voted pursuant to standing ISS voting policies, most votes are made based on overall voting parameters rather than their application to any particular company, thereby reducing or eliminating the effect of any potential conflict of interest.

ISS maintains a Code of Ethics and written policies and procedures to identify potential conflicts of interest and prevent any potential conflicts from becoming actual conflicts. Annually, YCM's Proxy Voting Committee meets to review YCM's Proxy Voting Policy as well as perform due diligence on ISS. In the event that ISS does not provide a recommendation because of a conflict of interest, the Proxy Voting Committee Chairperson will consult with the President or other YCM senior manager for a recommendation as needed.

Clients may obtain a copy of our Proxy Voting Policy and information about how we voted proxies related to their securities, free of charge, by contacting our Chief Compliance Officer ("**CCO**"), Rosanna Bennett, at rbennett@yousifcapital.com or 248-885-8786.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. YCM does not have a financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.