

# **Mach-1 Financial Group, LLC**

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**July 8, 2025**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Mach-1 Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at 479-876-2100. 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. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about Mach-1 Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated April 2, 2025, we have the following material changes to report:

- We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions via Flourish Financial LLC ("Flourish"). Flourish is compensated by sharing in the revenue earned by such third-party institutions for serving our clients. Flourish does not share any portion of this earned revenue with Mach-1 Financial Group, LLC. Please see **Items 4 Advisory Business, 5 Fees and Compensation, and 10 Other Financial Industry Activities and Affiliations** for additional information.
- We have added Fidelity Brokerage Services, LLC ("Fidelity") to the list of custodians we typically recommend. Please see **Items 12 Brokerage Practices and 14 Client Referrals and Other Compensation** for additional information.

For a complete copy of our current brochure, please contact the Chief Compliance Officer at the telephone number listed on the Cover Page.

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## Item 4 Advisory Business

### A. Mach-1 Financial Group

Mach-1 Financial Group, LLC ("Mach-1 Financial," "Mach-1," and/or "the firm") is an Arkansas limited liability corporation owned by Mach-1 Holdings, Inc., Matthew Walters, CEO, and James Mackey, President and COO, and indirectly owned by David A. Lee as Trustee of The Lee Family Trust. The firm was first registered as an investment adviser in February 2020, and provides asset management services to high net-worth individuals, individuals, trusts, corporations, partnerships, and other legal entities. In September 2021, the firm changed its legal formation from an S corporation to a limited liability corporation.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Mach-1 Financial Group, LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### B. Advisory Services Offered

Mach-1 Financial is an independent investment advisory firm that may utilize one or more third party sub-advisers or managers ("Managers") for asset management services on a sub-advised basis. Mach-1 Financial also offers investment management services not utilizing Managers, where investment adviser associates of the firm manage client assets directly. If Managers are used for asset management, Managers provide various securities strategies ("Strategies") within their own wrap fee programs (the "Manager Wrap Programs"), and Mach-1 Financial determines which Manager Wrap Programs the client assets are to be invested in. Thereafter, the Manager implements all trades necessary to cause such assets to be invested in the Strategies. Clients only have a direct relationship with Mach-1 Financial, and not any Manager, and therefore clients are considered clients of Mach-1 Financial. For the avoidance of doubt, Managers do not provide a client with any investment advice based on their individual circumstances. Managers do not have the ability to determine if any Strategy is appropriate for the need of any client. Each client must authorize the Managers to direct trades for clients' accounts at the custodian. The custodian will have custody of assets and execute transactions for the accounts. No Manager will have responsibility for the selection of or actions or inactions by any custodian.

As noted above, Mach-1 Financial also offers investment management not involving Managers. In this case, investment adviser associates manage a client's assets either in a wrap program or in a non-wrap account. Investment advice is rendered based on a client's individual circumstances, either on a discretionary or non-discretionary basis, and assets are maintained at a qualified custodian.

When Mach-1 Financial allocates client funds in a Manager Wrap Program, the Manager will establish an account (the "Managed Accounts") with a custodian. Managers generally retain complete discretion to manage client assets in a Managed Account. By electing to allocate client assets to a Managed Account, Mach-1 Financial is granting the Manager limited authority to effect trades consistent with its direction. No Manager will have possession or custody of cash and/or securities in any Managed Accounts, nor any responsibility or liability for custody, which will remain solely with custodian. Managers will deliver their disclosure brochure for their Manager Wrap Programs (the "Manager Brochures") to each client.

Managers and their affiliates perform investment advisory and other services for other clients, and the Managers and their affiliates may buy, sell, or trade, or recommend any securities for its or their respective accounts in compliance with all applicable federal and state securities laws. The Managers and their affiliates may give advice and take action with respect to any of its other clients, which may

differ from the advice given, the timing or nature of action taken, or recommendations provided to clients participating in a Manager Wrap Program. Managers and their affiliates may from time to time come into possession of confidential and privileged information ("Nonpublic Information") about clients and their assets and financial matters as a result of their other activities. Managers will not be free to divulge or act upon Nonpublic Information in connection with management of Managed Accounts.

### **Ascent - Automated Advisory Services**

Ascent is Mach-1 Financial Group's automated online service built on Betterment's technology platform that guides clients through the entire investment management process and provides management services. Clients subscribing to the Ascent service authorize Mach-1 Financial Group to select money managers to implement our proprietary portfolio models. As part of the Ascent investment management service, clients complete an online personal risk tolerance assessment and provide additional information about their financial goals. Clients can also submit or modify risk preferences, investment objectives, investment size, and any other restrictions for their accounts directly through the online platform. Based on the information provided and their choices, the appropriate model portfolio is selected for the client. We generally create diversified model portfolios of investments consisting of low-cost exchange traded funds ("ETFs"), mutual funds, and other similar equity-related index funds, stocks, or investment products tailored to the client's specific needs. Information about the client's model portfolio is available on the online platform, which includes their investment style, objectives, and a list of ETFs and other investments with shares that are included in and traded through them. The money managers will periodically rebalance client model portfolios based upon the client's individual needs, stated goals, and objectives. Before selecting money managers, we make sure that they are properly licensed or registered. Clients who subscribe to this service will enter into a dual contract with us and the money manager.

### **Estate Planning**

Mach-1 Financial Group has purchased access to Wealth.com as an annual license so Mach-1 Financial advisors can refer clients to Wealth.com's estate planning solution, where they can create, manage, and administrate estate plans through a technology platform. Mach-1 does not currently charge Clients a fee to utilize this optional service. Clients referred to Wealth enter the platform and are guided through the document creation process by Wealth, not by the advisor. Advisors are not involved with the drafting of the legal documents and do not have the ability to make selections for the client. Advisors can receive read-only visibility of the client account to monitor for optimization opportunities. Clients electing to use the Wealth.com optional hybrid model can start the process digitally and, for a fee borne by the client, consult live with one of Wealth.com's local trust & estates attorney partners. No portion of such fee is paid to Mach-1 Financial.

### **Flourish Cash**

Flourish Cash is an online cash management solution that seeks to provide Clients with competitive APY and elevated FDIC coverage for their deposits placed at program banks. Flourish Cash is offered by Flourish Financial LLC, a registered broker-dealer and FINRA member. Mach-1 Financial Group, LLC is not affiliated with Flourish or any of the program's banks. Mach-1 Financial is not acting as an investment advisor representative or in a discretionary manner when inviting Clients to use Flourish and only does so with Client consent.

### **Plan Participant Non-Wrap Investment Management**

As part of Mach-1 Financial's discretionary or non-discretionary investment management services, clients may engage Mach-1 Financial to provide advice and/or investment management related to participant level retirement assets, such as 401k plans, profit sharing plans, defined contribution plans, HSA accounts, or other qualified assets ("Held-Away" assets or accounts). These assets typically will not be custodied at a custodian with which Mach-1 Financial has an agreement to conduct advisory business. Mach-1 Financial has engaged a third-party platform provider, Pontera Solutions, Inc.

("Pontera") to facilitate the discretionary or non-discretionary management of Held-Away assets. The Pontera platform allows Mach-1 Financial to monitor, trade, and rebalance a Held-Away account, and avoid being deemed to have custody of these assets since neither Mach-1 Financial, nor a person associated with the firm, has direct access to client log-in credentials to affect trades in the Held-Away accounts. Mach-1 Financial is not affiliated with Pontera and is not compensated by Pontera for use of their services. In order to establish access to the Held-Away accounts for discretionary or non-discretionary management, a link is provided to the client allowing them to connect a Held-Away account to the Pontera platform. Once this connection is established, Mach-1 Financial will review a client's investment allocations and will invest or rebalance an account, as needed or recommended, consistent with a client's investment goals, risk tolerance, and objectives and based on the existing investment options in the participant level account. Discretionary authority to manage Held-Away assets is granted to Mach-1 Financial through an agreement executed by the client. For non-discretionary management, a client must give explicit approval for Mach-1 Financial to affect transactions in the client's account. The management of these Held-Away accounts is in non-wrap accounts.

### **Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

### **Retirement Plans**

As part of Mach-1 Financial's discretionary investment management services, clients may engage Mach-1 Financial to provide advice and/or investment management related to Plan level retirement assets.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Mach-1 Financial will assist clients with selecting one or more Manager Wrap Programs. With respect to sub-advised services, clients select a category of risk based on an assessment of their individual risk tolerance and investment objectives, to which one or more Manager Wrap Programs are then correlated. We will recommend to or select for clients what portion of their assets may be invested

which Manager Wrap Program and discuss the allocation of their assets among the portfolios. Clients may, other than for model portfolios constructed by a Manager, impose reasonable restrictions on the management of their accounts—for example, restricting the type or amount of security to be purchased in a Managed Account.

#### **D. Wrap Fee Programs**

In addition to the Manager Wrap Programs, Mach-1 Financial offers its own wrap fee program in which it provides investment management services for one all-inclusive fee. Please refer to Appendix 1 of Part 2A: Mach-1 Financial Wrap Fee Program Brochure. Please see Item 5.A. of this Brochure for important disclosure regarding custodian investment programs.

#### **E. Client Assets Under Management**

As of December 31, 2024, we provide continuous management services for \$416,888,563 in client assets on a discretionary basis.

### **Item 5 Fees and Compensation**

#### **A. Methods of Compensation and Fee Schedule**

Mach-1 Financial will charge an annual fee based upon a percentage of the market value of the client's portfolio held in client accounts managed by the firm (each a "Managed Account"). Mach-1 Financial charges a maximum of 1.95% of the value of portfolio assets under Mach-1 Financial's supervision (the "Mach-1 Fee"). Fees are negotiable. Managers' fees for their Manager Wrap Programs ("Wrap Fees"), which include all trading and custody costs in each Managed Account, will normally be deducted by Managers from Managed Accounts, from which they will remit to Mach-1 Financial its Mach-1 Fee, as reflected in each client's investment advisory agreement with the firm. Managers may impose a minimum portfolio size, minimum fee, or otherwise condition the firm's use of portfolios. Please refer to each Manager Brochure for specific information. As may be provided in a client's advisory agreement, a client may incur technology or other fees. Wrap Fees may vary, and since Mach-1 Financial receives the difference between the Wrap Fees and its Mach-1 Fee, Mach-1 Financial has a conflict of interest in selecting Manager Wrap Programs for which it receives a higher net advisory fee than for Manager Wrap Programs with lower net advisory fees.

Asset-based fees are always subject to the investment advisory agreement between the client and Mach-1 Financial. Such fees are payable monthly in arrears or as dictated by the sub-adviser's billing protocol. The fees are based on the market value of the assets in the Managed Account(s) on the last day of the immediately preceding month or the average daily balance dictated by the sub-adviser's billing protocol subject to the custodian having this capability. If the applicable custodian does not offer average daily pricing, then the Managers will bill in arrears based upon the closing month's portfolio value. No adjustments for significant contributions or withdrawals will be made. The fees will be prorated if the investment advisory relationship commences other than at the beginning of a calendar month.

If a client engages Mach-1 Financial for less than the whole of any month, fees will be calculated and payable on a pro-rata basis for the period of the month for which Mach-1 Financial provides advisory services hereunder. Significant Account withdrawals or contributions during a month will not modify the Mach-1 Fee calculation when it is based on month-end values. The foregoing fees will be in effect until 30 days after Mach-1 has provided notice to the Client about a change in the Mach-1 Fees.

In addition, some clients remain on a different fee schedule ("legacy fees") in effect at the time of their engagement for advisory services, as disclosed in their executed investment advisory agreement. Such legacy fees may have been negotiated by a firm from which Mach-1 Financial has acquired client engagement through an acquisition of assets. In those cases, clients will continue to pay advisory fees

in the method described in their original investment advisory agreement. These legacy fees may or may not be structured as wrap-fees, and clients are subject to transactions charges in some cases, as described in the investment advisory agreement executed by the client.

#### **A.1.a. Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware.

#### **Ascent – Automated Advisory Services:**

The maximum total fee charged for our Ascent service will not exceed 0.95% of assets under management. This fee is divided between our firm and Betterment Securities. Fees are payable monthly in arrears, calculated based on the market value of the assets in your account on the last day of the immediately preceding month or the average daily balance. If the investment advisory relationship begins other than at the start of a calendar month, fees will be prorated accordingly. At the termination of the account, fees will be prorated to the termination date, unless termination occurs at the end of a calendar month.

#### **Flourish Cash**

Mach-1 Financial does not receive payment if a Client participates in the cash management program from Flourish.

#### **Plan Participant Non-Wrap Investment Management**

If a client engages Mach-1 Financial to provide investment management services to 401k or other Held-Away assets, a separate asset management fee, not to exceed 1.30%, will be charged for management of these assets and a third-party platform (Pontera) will typically be utilized to facilitate the management of these Held-Away assets. Held-Away accounts managed through Pontera are not eligible to have fees debited directly and fees will be direct-billed to a client or debited from another custodial account, as directed in writing by the client. See Item 4, *Advisory Business*, for a description of the services provided to Held-Away assets.

#### **B. Client Payment of Fees**

Mach-1 Financial does not typically require the prepayment of its investment Mach-1 Fees. Managers are paid directly by clients, and the Managers in turn remit to Mach-1 Financial its Mach-1 Fees.

Clients authorize either Mach-1 or the Manager to direct each custodian to deduct all Wrap Fees and Mach-1 Fees directly from Managed Accounts and remit the same to the Manager, and therefrom the Managers will remit the Mach-1 Fee to Mach-1 Financial.

The custodian will deduct Mach-1 Fees and Wrap Fees directly from the client's Managed Accounts provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is encouraged to review the quarterly custodian statement to verify the accuracy of the Wrap Fee calculation, as the client's custodian will not verify the calculation.

Termination provisions may vary by Manager. Please refer to the Manager Brochures for specific information. Clients may terminate any advisory agreement any time as provided therein, or otherwise terminate that client's participation in any Manager Wrap Program; Mach-1 Financial or Managers may terminate their sub-advisory agreements at any time on 30 days' notice, or immediately in specified cases. Upon any such termination, client's assets will no longer be invested in the relevant portfolios.



### **C. Additional Client Fees Charged**

Neither the Mach-1 Fee nor the imbedded Wrap Fees include charges to Managed Accounts by their investments, such as exchange-traded funds or mutual funds. In the case of an exchange-traded fund or mutual fund, fees and charges are disclosed in the respective fund's prospectus. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, the client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus.

If clients engage Mach-1 Financial for asset management outside of a Wrap Fee program, clients will be charged transaction charges for the execution of securities transactions, as determined by the account custodian.

### **D. External Compensation for the Sale of Insurance or Investments to Clients**

Mach-1 Financial's advisory professionals are compensated primarily through a salary and bonus structure and through asset-based fees generated from client accounts. Mach-1 Financial's advisory professionals may receive commission-based compensation for the sale of insurance products. Please see Item 10.C. for detailed information and conflicts of interest.

Persons providing investment advice on behalf of our firm are registered representatives with LPL Financial, LLC a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with Mach-1 Financial.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

Mach-1 Financial does not charge performance-based fees.

## **Item 7 Types of Clients**

Mach-1 Financial is an independent investment management firm providing asset management services to various types of clients including individuals, trusts, corporations, partnerships, and other legal entities.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

### A. Methods of Analysis and Investment Strategies

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There is no guarantee that any specific investment or strategy will be profitable for a particular client.**

#### A.1 Third-Party Managers

Mach-1 Financial will recommend one or more appropriate third-party Managers for all or a portion of the client's portfolio. Managers will typically manage assets for clients in the Manager Wrap Programs who commit a minimum amount of assets – a factor that Mach-1 Financial will take into account when recommending Manager Wrap Programs to clients. A description of the criteria used in formulating an investment recommendation to invest in Manager Wrap Programs is set forth below. Mach-1 Financial has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform trading
- perform or distribute research of individual securities
- perform billing and certain other administrative tasks

Mach-1 Financial may utilize additional independent third parties to assist it in recommending and monitoring Managers for clients as appropriate under the circumstances.

Mach-1 Financial reviews certain quantitative and qualitative criteria related to Managers and to formulate investment recommendations for its clients. Quantitative criteria may include

- the performance history of a Manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns
- an analysis of the Manager's contribution to the investment return (e.g., Manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the Manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in selecting/recommending Managers include the investment objectives and/or management style and philosophy of a Manager; a Manager's consistency of investment style; and employee turnover and efficiency and capacity.

Managers' quantitative and qualitative criteria are reviewed by Mach-1 Financial on a quarterly basis or such other interval as appropriate under the circumstances. In addition, Managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift.

Account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the funds or Managers utilized. Mach-1 Financial will endeavor to obtain equal treatment for its clients with Managers, but cannot assure equal treatment.

Mach-1 Financial will regularly review the activities of Managers utilized for the client. Clients that participate in Manager Wrap Programs should first review and understand the Manager Brochures, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees, and conflicts of interest.

### **A.2. Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered by our custodian that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please see Item 5.A. of this Brochure for detailed information.

### **A.3. Material Risks of Investment Instruments**

Please refer to the Manager Brochures for information on material risks of investment instruments.

### **B. Security-Specific Material Risks**

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9 Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

## **Item 10 Other Financial Industry Activities and Affiliations**

### **A. Broker-Dealer or Representative Registration**

Neither Mach-1 Financial nor its affiliates, employees, or independent contractors are registered broker-dealers and do not have an application to register pending.

### **B. Futures or Commodity Registration**

Neither Mach-1 Financial nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

#### **C.1. AE Wealth Management, LLC**

AE Wealth Management, LLC provides certain back office support and may serve as either a sub-adviser or wrap fee sponsor for strategies selected or recommended by Mach-1 Financial.

#### **C.2. Sub-Advisory Relationships**

Mach-1 Financial offers its own proprietary Wrap Fee Program and has also entered into agreements with independent third-party managers whereby the third-party managers will serve as sub-adviser to Mach-1 Financial and offer various portfolio strategies or Manager Wrap Programs to clients. Clients are not obligated to utilize such third-party sub-advisory services. Although Mach-1 Financial identifies

third-party managers that are in the best interest of the clients, please be advised that there is an economic incentive to recommend the wrap fee program that engages Managers that have lower management fees and lower portfolio turnover.

### **C.3. Insurance Sales**

We are affiliated with David A Lee, Inc., a licensed insurance agency, through common control and ownership. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons, and/or David A Lee, Inc., will earn commission-based compensation for selling insurance products, including insurance products they sell to you, and thus a conflict of interest exists. Insurance commissions earned by these persons are separate from our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. Mach-1 Financial strives to put its clients' interests first and foremost, and clients may utilize any insurance carrier or insurance agency they desire.

### **C.4 Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with LPL Financial a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Mach-1 Financial's clients, even if client does not establish any account through LPL. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **C.5 Betterment At Work**

As part of Mach-1 Financial's relationship with the Betterment Entities, Betterment may offer Mach-1 services intended to help us manage and further develop our business enterprise, such as access to webinars and advice about using the Betterment at Work platform. Betterment may offer different or expanded services in the future. These services could create an incentive for Mach-1 to recommend that our Clients invest through the Betterment at Work platform. This is a potential conflict given that our interest in recommending Betterment could be influenced by your receipt of B4B's, Betterment's, and Betterment Securities' services to our business. Additionally, Betterment may offer discounted pricing to our Clients based on the total combined assets of all of our firm's Clients on the Betterment at Work platform. This is a potential conflict of interest, to the extent that our firm's compensation increases on account of this fee discounting structure. Other potential conflicts may exist regarding Mach-1 Financial's use of the Betterment at Work platform.

### **C.6 Wealth.com**

Mach-1 Financial Group has purchased access to Wealth.com as an annual license so Mach-1 Financial advisors can refer clients to Wealth.com's estate planning solution, where they can create, manage, and administrate estate plans through a technology platform. Mach-1 does not currently charge Clients a fee to utilize this optional service. Clients referred to Wealth enter the platform and are guided through the document creation process by Wealth, not by the advisor. Advisors are not involved with the drafting of the legal documents and do not have the ability to make selections for the client. Advisors can receive read-only visibility of the client account to monitor for optimization opportunities. Clients electing to use the Wealth.com optional hybrid model can start the process digitally and, for a fee borne by the client, consult live with one of Wealth.com's local trust & estates attorney partners. No portion of such fee is paid to Mach-1 Financial.

### **C.7 Flourish Cash**

Mach-1 Financial Group has made available Flourish Cash, an online cash management solution that seeks to provide Clients with competitive APY and elevated FDIC coverage for their deposits placed at

program banks. Flourish acts as an intermediary to facilitate our clients' access to cash management solutions. Mach-1 is not affiliated with Flourish or any of the program's banks. Mach-1 is not acting as an investment advisor representative or in a discretionary manner when inviting Clients to use Flourish and only does so with Client consent.

#### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

Mach-1 Financial does not receive any additional remuneration from advisers, investment managers, or other service providers that it recommends to clients, other than as described above. However, the firm engages sub-advisers to manage Mach-1 Financial client accounts. The compensation arrangements are described in Item 5.A and Item 14.B.

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

#### **A. Code of Ethics Description**

In accordance with the Advisers Act, Mach-1 Financial has adopted policies and procedures designed to detect and prevent insider trading. In addition, Mach-1 Financial has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of Mach-1 Financial's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of Mach-1 Financial. Mach-1 Financial will send clients a copy of its Code of Ethics upon written request.

Mach-1 Financial has policies and procedures in place to ensure that the interests of its clients are given preference over those of Mach-1 Financial, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

#### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Mach-1 Financial does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Mach-1 Financial does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

#### **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Mach-1 Financial, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which Mach-1 Financial specifically prohibits. Mach-1 Financial has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions

- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow Mach-1 Financial's procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Mach-1 Financial, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other Mach-1 Financial clients. Mach-1 Financial will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of Mach-1 Financial to place the clients' interests above those of Mach-1 Financial and its employees. The possibility exists that due to circumstances beyond the control of Mach-1 Financial, same-day trade requests submitted prior to cut-off will not be executed on the same day.

## **Item 12 Brokerage Practices**

#### **A. Factors Used to Select Broker-Dealers for Client Transactions**

Mach-1 Financial participates in the institutional customer programs of Charles Schwab & Co., Inc. ("Schwab"), member FINRA/SIPC/NFA, Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC, and LPL Financial LLC ("LPL"), member FINRA/SIPC (together the "Custodians"). Schwab, Fidelity, and LPL are independent and unaffiliated SEC-registered broker-dealers. Schwab, Fidelity, and LPL offer independent investment advisers services which include custody of securities, trade execution, clearance, and settlement of transactions. Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. Mach-1 Financial receives some benefits from Schwab, Fidelity, and LPL through its participation in the programs. (Please see the disclosure under Items 12 and 14 of this Brochure).

Additionally, as part of Mach-1 Financial's 401(k) plan offering via Betterment At Work, MTG LLC, dba Betterment Securities ("Betterment Securities"), an SEC-registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian. Betterment Securities is responsible for execution of securities transactions and maintains custody of customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment LLC ("Betterment"), an SEC-registered investment adviser that provides certain investment advisory services to Plans and their participants ("Participants"). Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in Participants receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If you do not wish to place assets with or execute trades through Betterment Securities, then Betterment cannot manage your accounts on the Betterment at Work platform. Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.

Mach-1 Financial considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker dealers or custodians to advisory clients.

##### **A.1.a. Soft Dollar Arrangements**

Mach-1 Financial does not have any soft dollar arrangements.

#### **A.1.b. Institutional Trading and Custody Services**

The Custodians provide Mach-1 Financial with access to its institutional trading and custody services, which are typically not available to the Custodians' retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular Custodian. The Custodians' brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

#### **A.1.c. Other Products and Services**

Custodians also make available to Mach-1 Financial other products and services that benefit Mach-1 Financial but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Mach-1 Financial's accounts, including accounts not maintained at Custodians.

The Custodians may also make available to Mach-1 Financial software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of Mach-1 Financial's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The Custodians may also offer other services intended to help Mach-1 Financial manage and further develop its business enterprise. These services may include

- compliance, legal, and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

The Custodians may also provide other benefits such as educational events or occasional business entertainment of Mach-1 Financial personnel. In evaluating whether to recommend that clients custody their assets at the Custodians, Mach-1 Financial may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by the Custodians, which creates a potential conflict of interest.

#### **A.1.d. Independent Third Parties**

The Custodians may make available, arrange, and/or pay third-party vendors for the types of services rendered to Mach-1 Financial. The Custodians may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Mach-1 Financial.

#### **A.1.e. Additional Compensation Received from Custodians**

Mach-1 Financial participates in institutional customer programs sponsored by broker dealers or custodians. Mach-1 Financial recommends these broker dealers or custodians to clients for custody and brokerage services. There is no direct link between Mach-1 Financial's participation in such programs and the investment advice it gives to its clients, although Mach-1 Financial receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits include all or some of the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations



- Research-related products and tools
- Consulting services
- Access to a trading desk serving Mach-1 Financial participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers

Mach-1 Financial also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require Mach-1 Financial to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, Mach-1 Financial will typically receive benefits similar to those listed above.

As part of its fiduciary duties to clients, Mach-1 Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Mach-1 Financial or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Mach-1 Financial's recommendation of broker-dealers for custody and brokerage services.

### **A.2. Brokerage for Client Referrals**

Mach-1 Financial does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

### **A.3. Directed Brokerage**

#### **A.3.a. Mach-1 Financial Recommendations**

Mach-1 Financial typically recommends Schwab, Fidelity, or LPL as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf. Not all advisers require their clients to direct brokerage and as such we may not be able to achieve the most favorable execution of client transactions. This practice may cost clients more money. Additionally, persons providing investment advice on behalf of our firm who are registered representatives of LPL Financial may earn commission-based compensation as result of placing the recommended securities transactions through LPL Financial. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, as noted below you may, on occasion, direct us to use other broker-dealers of your own choosing.

#### **A.3.b. Client-Directed Brokerage**

Occasionally, clients may direct Mach-1 Financial to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Mach-1 Financial derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Mach-1 Financial loses the ability to aggregate trades with other Mach-1 Financial advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

### **B. Aggregated Trades**

Transactions for each client will be effected independently unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. If you participate in our wrap fee



program described above, you will not pay any portion of the transaction costs in addition to the program fee. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we may not combine orders for any non-discretionary accounts, where applicable. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm, unless you participate in our wrap fee program.

## **Item 13 Review of Accounts**

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Accounts are reviewed by Mach-1 Financial's Manager. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in the underlying investment, changes in macro-economic climate, or for any reason deemed appropriate by Mach-1 Financial or the client.

### **B. Review of Client Accounts on Non-Periodic Basis**

Mach-1 Financial may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how Mach-1 Financial formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

Mach-1 Financial does not provide any performance or other reports to third-party investment advisers or any subscribing sub-adviser firm. To the extent Mach-1 Financial may manage an individual client account, we will not provide the client with regular written reports: the client will receive no less frequently than quarterly a statement from the custodian indicating holdings, transactions, and cash balance. The custodian is the official record of the client's account.

## **Item 14 Client Referrals and Other Compensation**

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

#### **A.1. Third-Party Managers**

Mach-1 Financial may from time to time receive additional economic benefits from third-party managers in the form of sponsorship or subsidizing of events held by Mach-1 Financial. Although receipt of such sponsorship is not predicated upon specific quotas, the sponsorship by such third parties is typically made by those sponsors to whom referrals have been made or it is anticipated referrals will be made. This creates a conflict of interest in that there is an incentive to recommend third-party managers based on the receipt of such sponsorship instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

## **A.2 Schwab, Fidelity, and LPL Institutional Customer Programs**

As disclosed above under *Item 12 Brokerage Practices*, we participate in Schwab's, Fidelity's, and LPL's Institutional Customer Programs ("Institutional Programs") and we may recommend Schwab, Fidelity, or LPL to clients for custodial and brokerage services. There is no direct link between our participation in the programs and the investment advice we give to our clients, although we receive economic benefits through our participation in the programs that is typically not available to Schwab, Fidelity, or LPL retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to aggregated trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. Schwab, Fidelity, and LPL may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by Schwab, Fidelity, and LPL through the programs may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at Schwab, Fidelity, or LPL. Other services made available by Schwab, Fidelity, and LPL are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the programs do not depend on the amount of brokerage transactions directed to Schwab, Fidelity, or LPL. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of Schwab, Fidelity, or LPL for custody and brokerage services. Please refer to *Item 12 Brokerage Practices* for additional information related to Schwab, Fidelity, and LPL.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with LPL Financial, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

## **A.3 AE Wealth Management, LLC**

Mach-1 Financial has entered into an agreement with AE Wealth Management, LLC ("AEWM") and its affiliates, whereby AEWM provides bonus funding to our firm in the form of a forgivable loan representing an unvested advance on fees we will generate pursuant to a sub-advisory agreement with AEWM. As part of this agreement, our firm has agreed to use AEWM's sub-advisory, administrative, technical, and support services for at least a certain period of time. This arrangement creates a conflict of interest in that we have a financial incentive to recommend AEWM's sub-advisory services to our clients. Notwithstanding our agreement with AEWM, we have reasonable belief that AEWM provides quality services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience, and financial stability. In addition, AEWM, their affiliate Advisors Excel, and their brokered partners (or insurance companies) may also provide bonus compensation or awards for business we place with them. This includes insurance product sales. This is a conflict of interest in that we have an economic incentive to refer insurance business to AEWM's affiliated entities.

## **A.4 Betterment At Work**

- Mach-1 Financial has entered into an agreement with three entities to provide 401(k) Plan

services as part of the Betterment at Work offering: Betterment for Business LLC ("B4B") provides certain recordkeeping services to tax-qualified 401(k) plans (a "Plan" or "Plans"), including Plans that are our clients;

- Betterment LLC ("Betterment"), an SEC-registered investment adviser, provides certain investment advisory services to Plans and their participants ("Participants"), and;
- MTG LLC, dba Betterment Securities ("Betterment Securities"), an SEC-registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian.

We receive a non-economic benefit from Betterment in the form of the support products and services it makes available to us and, to the extent we place Clients on the Betterment at Work platform, we may be deemed to give Betterment an indirect benefit in the form of the asset-based fees it receives from our Clients.

#### **B. Advisory Firm Payments for Client Referrals**

Mach-1 Financial does not compensate any third-parties for client referrals.

### **Item 15 Custody**

Mach-1 Financial is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our Mach-1 Fees directly from the client's Managed Accounts. The custodian maintains actual custody of clients' assets.
- Mach-1 Financial, or persons associated with our firm, may effect asset transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party asset transfers has access to the client's assets, and therefore has limited custody of the client's assets in any related accounts.

Based on an SEC no-action letter, Mach-1 Financial is not required to obtain a surprise annual audit as would otherwise be required by reason of having custody, as long as we meet the following criteria:

1. Client provides a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. Client authorizes Mach-1 Financial in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Client's qualified custodian verifies client's authorization (e.g., signature review) and provides a transfer of funds notice to client promptly after each transfer;
4. Client can terminate or change the instruction;
5. Mach-1 Financial has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. Mach-1 Financial maintains records showing that the third party is not a related party to us nor located at the same address as us; and
7. Client's qualified custodian sends client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Mach-1 Financial hereby confirms that it meets the above criteria.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the Managed Account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account: you should carefully review your account statements for accuracy. Private fund investors will receive fund level statements of all activity, cash balances, and portfolio holdings on a quarterly basis from their qualified custodian.

### **Trustee Services**

Persons associated with our firm may serve as trustees to certain accounts for which we also provide investment advisory services. In all cases, the persons associated with our firm have been appointed trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed to have custody over the advisory accounts for which persons associated with our firm serve as trustee.

Additionally, as part of Mach-1 Financial's 401(k) plan offering via Betterment At Work, Betterment Securities maintains custody of your assets that are managed by Betterment. Account statements are available for review on the activity section of the Betterment at Work Advisor dashboard. Clients receive periodic emails from Betterment with information about your accounts as well as links to account statements. Mach-1 Financial encourages you to carefully review those statements promptly.

## **Item 16 Investment Discretion**

Clients may grant a limited power of attorney to Mach-1 with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Mach-1 will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions. Investment limitations may be designated by the client as outlined in the investment advisory agreement. In addition, subject to the terms of its investment advisory agreement, Mach-1 may be granted discretionary authority for the retention of independent third-party sub-advisers. Investment limitations may be designated by the client as outlined in the investment advisory agreement. Please see the applicable third-party manager's disclosure brochure for detailed information relating to discretionary authority.

### **Betterment at Work**

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. Betterment will recommend to a Plan and its Participants one or more sets of investment principles appropriate for the Plan and its Participants, and Betterment will designate a Qualified Default Investment Alternative (QDIA) in the Investment Policy Statement (IPS) for each Plan. Each portfolio is associated with a target allocation of investment types and/or asset classes but Participants can modify Betterment's initial allocation recommendation as they see fit. In the absence of a contrary direction, Betterment periodically rebalances Participant portfolios so that in the face of fluctuating market prices each Participant's portfolio remains within a range of the target allocation. Betterment also offers optional automated asset location services for Participants who also open a Betterment Retail account.

## **Item 17 Voting Client Securities**

Mach-1 Financial does not take discretion with respect to voting proxies on behalf of its clients. Mach-1 Financial will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election, or similar actions solicited by, or with respect to, issuers of securities

beneficially held as part of Mach-1 Financial supervised and/or managed assets, but in no event will Mach-1 Financial take discretion with respect to voting proxies on behalf of its clients. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

For assets managed on the Betterment at Work platform, Participants delegate to Betterment the authority to receive and vote all proxies and related materials. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Additional information about proxy matters is contained in Betterment's Form ADV Part 2A found at <https://www.betterment.com/adv>.

Except as required by applicable law, Mach-1 Financial will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. Mach-1 Financial has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. Mach-1 Financial also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, Mach-1 Financial has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where Mach-1 Financial receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18 Financial Information**

### **A. Balance Sheet**

Mach-1 Financial does not require the prepayment of fees of \$1,200 or more, six months or more in advance, and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Mach-1 Financial does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There is nothing to report on this item.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.