

Tectonic Advisors LLC

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March 30, 2026

Form ADV Part 2A Brochure

Tectonic Advisors LLC (hereinafter "Tectonic Advisors") is an investment adviser registered with the Securities and Exchange Commission (hereinafter "SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Tectonic Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (713) 250-4200. 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.

Additional information about Tectonic Advisors LLC is available on the public disclosure website at www.adviserinfo.sec.gov.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure. On March 30, 2026, we submitted an annual update filing for fiscal year 2025. As part of the update, we amended the following sections of our Form ADV Part 2 Brochure:

- Item 4 – Item 4 was amended to disclose that no individual or company owns 25% or more of Tectonic Advisors, all references to family office services were removed, and we disclosed that as of December 31, 2025, the total amount of assets under management at Tectonic Advisors is \$5,141,575,409. Tectonic Advisors manages \$4,789,412,289 of discretionary assets under management and \$352,163,120 of non-discretionary assets under management.
- Item 5 – Item 5 was amended to disclose our revised fee schedules. All clients subject to our revised fees will receive full disclosure of such fees.
- Item 10 – Item 10 was amended to provide detailed information about our various affiliated entities owned by CWA Financial Group, LLC and Tectonic Financial, Inc., our affiliated holding companies.
- Item 12 – Item 12 was amended to provide an updated description of our brokerage practices, including , directed brokerage and trade aggregation.
- Item 15 – Item 15 was amended to provide updated information about custody.

We review and update our brochure at least annually to make sure that it remains current. If you would like to receive a copy of the most recent version of our ADV Part 2 Brochure, please call us at (713) 250-4200.

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Advisory Business - Item 4

Tectonic Advisors LLC (“Tectonic Advisors”) is a registered investment adviser based in Frisco, Texas. We are a limited liability company formed under the laws of the State of Texas. We have been providing investment advisory services since 2006. No individual or company owns 25% or more of Tectonic Advisors.

Portfolio Management

Tectonic Advisors offers investment advisory services to individuals, banking institutions, corporations, trusts, and pension plans in three programs: (1) Separately Managed Account Program, (2) T-Bank Program, Advisor to Collective Investment Funds and (3) Model Portfolio Advisor Program.

Separately Managed Account Program (“SMA Program”)

Tectonic Advisors offers discretionary portfolio management services to individuals, corporations, trusts and pension plans. Tectonic Advisors invests Client’s assets in securities that it deems consistent with clients stated investment objectives and according to the Investment Policy Statement executed by the Client.

Tectonic Advisors offers portfolios largely, if not entirely, comprised of exchange-traded funds (ETFs) and other securities, in the SMA Program (“Tectonic portfolio”). Tectonic portfolio strategies range from a conservative Capital Preservation, to a more aggressive all US Equity, portfolio. Tectonic portfolios generally use a diversified asset allocation approach, with a proprietary dynamic process that re-balances the portfolios based on certain criteria with a goal of mitigating risk and providing a consistent return commensurate or better than the portfolio’s benchmark.

Client assets in the Tectonic portfolios will be invested in exchange-traded funds (ETFs), index funds, exchange-trades notes (ETNs), master limited partnerships, mutual funds and from time to time client portfolios may include other securities (such as stocks, bonds and other securities).

Clients in consultation with Tectonic Advisors will execute an Investment Advisory Agreement and select a strategy that will be described within the Client’s Investment Policy Statement. Minimum investments vary by strategy. Clients will pay an investment advisory fee to Tectonic Advisors as well as the expenses attributable to the ETF, index fund, ETN, mutual fund or other security as well as custodial and other costs (such as trading or administration costs). Client may impose reasonable restrictions on the management of their account subject to the approval of Tectonic Advisors.

Clients will be directed to utilize the custody and execution services of Charles Schwab & Co., Inc. (“Schwab”), or such other custodian as Tectonic Advisors may select and which is suitable for the client.

The minimum investment required to establish an SMA Program account is \$250,000. Tectonic Advisors may waive the minimum account size at its sole and absolute discretion.

Tectonic Advisors may provide customized allocations. Customized allocations may include the use of third-party Investment Managers. Clients are instructed to review the Form ADV Part 2A of each third-party Investment Manager recommended.

T-Bank Program

Tectonic Advisors offers discretionary advisory services to an affiliated bank, T Bank, N.A. (T Bank) for its Collective Investment Funds (“CIF”). Under this arrangement, Tectonic Advisors has the discretionary authority

to utilize or not utilize approved investment managers and to reallocate fund assets among them in accordance with the approved Investment Policy Statement for each fund. Decisions related to the purchase and sale of securities are made by the individual investment managers. These funds are used by qualified plans (i.e., 401K, etc.) and common trust funds for personal assets (i.e., individual, joint, etc.). Investors in the T Bank funds are generally clients of affiliated advisory firm, Cain Watters & Associates, L.L.C. ("CWA"). See *Financial Industry Activities and Affiliations for additional information regarding conflicts*. The funds may also include investors who are not clients of CWA.

Model Portfolio Advisor Program

Tectonic Advisors, in conjunction with its affiliated investment adviser, Cain, Watters & Associates ("CWA"), offers CWA's clients access to the Unified Managed Account ("UMA") Platform. UMAs are single accounts in which a client will have multiple managers and asset classes. Each manager and/or asset class can be managed via a separate account or "sleeve" of the account. Depending on a variety of factors including, but not limited to client risk tolerance and client asset size, a UMA account could include one or more money managers in the equity, fixed income, and/or alternatives space, that are run in a separate account or "sleeve". The rest of the UMA will be invested with mutual funds and exchange traded funds (ETFs). The resulting portfolio will be a mixture of individual equities, individual bonds, pooled investments, ETFs, and mutual funds, and will represent a complete asset allocation for the client based upon their risk tolerance and investment needs. The transactions in Client accounts will be executed by Charles Schwab & Co., Inc. ("Schwab"), which will also receive a portion of the fee for trade execution services.

The UMA Platform provides clients with access to a diversified suite of certain portfolio models ranging from preservation of capital to aggressive growth. These models were developed in conjunction with one or more professional independent money managers that manage different components of a client's targeted asset allocation based upon the client's financial circumstances, goals and investment objectives.

Tectonic Advisors operates technology platforms that are used to manage the models, including trading, rebalancing, billing, performance reporting, and certain other administrative services. In addition, Tectonic Advisors provides asset allocation advice, and model provider due diligence and recommendations to CWA regarding model construction and management.

The UMA program requires the approved model providers to meet certain due diligence criteria established by CWA and to operate pursuant to certain operational and technological constraints as prescribed by Tectonic Advisors and/or the custodian.

UMA Platform clients may request that CWA and Tectonic Advisors consider certain investments offered on the Capital Integration Systems LLC ("CAIS") Alternative Investments Portal as potential investments for the client's UMA Account. In the event that CWA and Tectonic Advisors determine that one or more such investments may be appropriate for the client's UMA Account, the client will be provided a copy of such investment's offering documents, and CWA and Tectonic Advisors will assist the client in reviewing and completing such offering documents. However, neither CWA nor Tectonic Advisors will have discretionary authority to select any CAIS investment on behalf of a UMA client; rather, CWA and Tectonic Advisors will be authorized only to make recommendations regarding any such CAIS investment, and each such client will be solely responsible for the decision to invest in any CAIS investment. Please refer to important risk disclosures pertaining to alternative investments in Item 8 below.

Due Diligence Provider

Tectonic Advisors provides research and due diligence services to our affiliate, Cain Watters and Associates, L.L.C. ("CWA") related to certain investment programs CWA recommends to its clients. Currently these consist of a Pooled Investment Program (collective and common trust funds), Separately Managed Account Program (SMA), Unified Managed Account Program (UMA), and Participant Directed and Retirement Investment Program.

These services include the following but may vary depending upon the program:

- a. Asset allocation analysis;
- b. Research on investments and securities including alternative forms of investments (i.e. commodities or real estate, etc.);
- c. Due diligence research on investment, securities and asset management companies and managers;
- d. Periodic monitoring of investment, securities and asset management companies and managers;
- e. Assistance in selection of investment, securities and asset management companies and managers;
- f. Research on specific investments and securities in whatever form they may take;
- g. General research about investments, securities and asset allocation;
- h. Global investment services.

Assets Under Management

As of December 31, 2025, the total amount of assets under management at Tectonic Advisors is \$5,141,575,409. Tectonic Advisors manages \$4,789,412,289 of discretionary assets under management and \$352,163,120 of non-discretionary assets under management.

Fees and Compensation - Item 5

Separately Managed Account Program (SMA Program) Fees

The Advisor's annual fee for investment management services provided in the SMA Program shall be based upon a percentage (%) of the market value of the assets under management. This annual fee shall be calculated by Tectonic Advisors and be prorated and paid quarterly, in arrears, based upon the account average daily balance for the quarter. The fee cannot be raised without prior written notification to the Client. Fees will be deducted directly from the client's account. Clients will provide authorization to deduct fees upon account opening and client may revoke this authorization with upon written notice to Custodian and Tectonic Advisors.

For the SMA program, Tectonic Advisors charges an annual fee of up to 0.80% of assets under management. The fee is negotiable depending on the complexity of client goals and objectives and level of services rendered. Investors accessing Tectonic Advisors strategies through the Model Portfolio Advisor Program may pay materially different fees for the same strategies.

In addition to Advisor's annual investment management fee, the Client shall also incur fees and expenses charged by mutual funds or exchange traded funds, third party advisory fees, and trading/custodial fees:

1. In addition to the Advisors annual fee, each mutual fund or ETF is subject to investment advisory, administrative, distribution, transfer agent, custodial, legal, audit and other customary fees and expenses related to investment in investment companies as set forth in the prospectuses of the funds. These fees and

expenses are paid by the funds, but ultimately are borne by clients as fund shareholders and are in addition to the Advisors annual fee. The securities, including mutual funds and ETFs are available outside of Tectonic Advisors accounts with paying the Advisors annual fee.

2. In some cases, Tectonic Advisors may customize allocations that include third-party Investment Managers. Clients will generally execute separate investment advisory agreements with the third-party Investment Managers and each separate Manager may charge an advisory fee.

3. The Advisors annual fee does not cover certain costs or charges imposed by the custodian or other third parties, including brokerage commissions, mark-ups/mark-downs, odd-lot differentials, exchange fees, contingent redemption fees, and transfer taxes mandated by law. Other custodial charges may be assessed for special services elected by the clients, including electronic fund and wire transfer fees, certificate delivery fees and reorganization fees.

T-Bank Program Fees

The fees paid by T Bank to Tectonic Advisors related to providing investment advisory services are paid out of the 65 basis points trust fee charged by T Bank to T-Bank client accounts. The bank will pay a portion of this fee to Tectonic Advisors, and the qualified custodians engaged to provide services in the pooled investment program. Tectonic Advisors will receive 54 basis points for investment advisory services based upon the total value of the assets committed to the pooled investment program including cash allocation.

Model Portfolio Advisor to UMA Program Fees

With respect to the Unified Managed Account Program (UMA) Platform, clients will be charged the following fees: an overlay management fee payable to Tectonic Advisors, an advisory fee payable to CWA, a model provider fee, and an asset-based fee (not based on the number of transactions in the client's account) payable to Charles Schwab & Co., Inc. ("Schwab") for custody and execution services:

Fees paid to Tectonic Advisors

Tectonic Advisors, in addition to providing due diligence services to CWA, also serves as a manager. Tectonic Advisors receives a fee of up to 35-basis points, or 0.35% from UMA accounts for assets allocated to the UMA program. Tectonic Advisors' fee is in addition to the fee that CWA receives. Fees paid to CWA will be listed in CWA's Form ADV Part 2 Brochure and/or in the statement of investment selection that is provided by CWA to the client.

Model Provider Fee

The Model Provider receives a fee of up to 0.70%. The Model Provider may be an investment adviser, a mutual fund, an exchange traded fund or a pooled investment vehicle. The Model Provider Fee reflects the impact of any Model Provider fees applicable to the selected model. For example, if a Model Provider were to charge a fee of 1.00%, and 10% of the respective model were allocated to the Model Provider, and no other Model Providers were applicable to the Model, the impact on the Total Fee for the Model would be 0.10% (1.00% X 10% allocation = 0.10% of total account). If the client elects the tax overlay management services, there will be an additional fee of 10 basis points.

Custodial Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, transaction fees, block trading fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Tectonic Advisors. Please see Item 12 of this brochure regarding the broker-dealer/custodian.

The UMA Program Fee will be debited from the Client's Accounts on a quarterly basis in arrears. The fee is debited from the client's account at the instruction of Tectonic Advisors, at the end of each quarter based upon the average daily balance of the account. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Advisory fees for alternative investments offered on the Capital Integration Systems LLC ("CAIS") Alternative Investments Portal will be based on quarter end value.

There will be additional fund fees for mutual funds, ETFs and private funds, depending on the model chosen. These fees are deducted at the mutual fund, ETF or private fund level and are not directly invoiced to client accounts. They do, however, represent an additional cost to the performance of the account. Detailed information on acquired funds fees in each model is available to the client so that they can assess their overall fees.

Due Diligence Provider Fees

Tectonic Advisors receives a fee under the terms of an agreement with third party investment advisors (including affiliate CWA) for due diligence, investment research regarding investment managers, mutual funds, ETFs, and other investment products as required. The amount of the fee paid to Tectonic Advisors by the third-party investment advisor is generally based on total assets in the third-party advisor's various recommended investment programs, scope of due diligence provided, degree of oversight required for each program and any new programs the third-party advisor requests be reviewed or analyzed. This fee is paid at least on a quarterly basis. The amount of the fee is reviewed on at least an annual basis.

Tectonic Advisors does not receive any fees from investment managers, custodians, or overlay managers associated with the models it provides due diligence services on.

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

Performance based fees are based on a share of capital gains on or capital appreciation of the Client's assets. Tectonic Advisors and its Associated Persons do not charge performance-based fees.

Types of Clients - Item 7

Tectonic Advisors' clients are Investment Advisory Firms, including an affiliated firm, banking institutions, platform program providers, individuals, corporations, trusts and pension plans.

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

Methods of Analysis and Investment Strategies

Tectonic Portfolio strategies are designed to seek returns from global markets that are in excess, over full market cycles, of balanced global stock and bond portfolios with similar risk. Tectonic Advisors' proprietary sentiment and momentum triggers aim to reduce the downside risk of idiosyncratic market events for which there is no historical precedent. Each strategy seeks to achieve its investment objectives by investing in a wide variety of asset classes creating diversified portfolios. Each strategy is then dynamically managed, utilizing rebalancing disciplines based on certain criteria. ETFs selected for inclusion in the portfolio are based on a variety of factors, which may include: investment or sector focus of the ETF, portfolio fit, ETF sponsor and liquidity of the underlying investments and, thus, the ETF itself, among other factors.

Investment managers and mutual funds included on Tectonic Advisors' approved lists ("Approved Funds" and "Approved Managers") are recommended based on certain quantitative criteria. The criteria will include length of track record, performance levels, amounts invested or under management ("quantitative criteria"), and certain qualitative criteria. Qualitative criteria may include the consistency of investment style, employee turnover, efficiency and capacity. Efficiency and capacity is gathered and evaluated by Tectonic Advisors concerning various aspects of the fund's or manager's business. Tectonic Advisors also conducts on site examinations as needed of investment managers and evaluates the results. Investment managers and mutual funds included in databases utilized by Tectonic Advisors are reviewed periodically against Tectonic Advisors' initial quantitative criteria to determine whether a manager or fund is eligible for consideration as an additional Approved Fund or Approved Manager.

Approved Managers and Approved Funds are reviewed periodically to determine whether they continue to meet quantitative maintenance criteria adopted by Tectonic Advisors or when market conditions or specific issues with a Manager or Fund warrant. Any Approved Fund or Approved Manager that fails to meet the Provider's and Tectonic Advisors' maintenance criteria is first placed on a watch list then potentially recommended for removal.

Tectonic Advisors, uses its Approved Funds and Approved Managers list to make investment decisions for all of its Investment Portfolio Management and Due Diligence Provider Services.

Risk of Loss

Investments made by Tectonic Advisors, and/or Approved Managers and/or Investment Funds, are subject to investment loss. The following risk of loss discussion includes not just investments made by Tectonic Advisors directly, but also investments made by Investment Managers and/or contained in Investment Funds.

General Investment Risk: All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk. Clients should familiarize themselves with the risks involved in the particular market instruments they intend to invest in. The discussion below does not purport to be a complete enumeration or explanation of the risks involved in the Advisor's investment programs. As the Advisor's investment programs develop and change over time, clients may be subject to additional and different risk factors.

Investments May Lose Value: There can be no assurance that a Fund will achieve its investment objectives, and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested in a Fund. An investment in a Fund may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

Interest Rate Risk: A Fund that invests in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

Credit Risk: A Fund, that invests in bonds and other fixed income securities, is subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit

rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Futures and Options in Funds: Funds may invest in options and futures on securities, indices and interest rates for the purpose of efficient portfolio management. Also, Funds may invest in futures, options or forward foreign exchange contracts to hedge market and currency risks. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Sector Risk: Funds which concentrate their portfolio in a specific sector may carry a higher degree of risk due to lower diversification and sector-specific risks. Because these investments are limited to a relatively narrow segment of the economy, the Funds' investments are not as diversified as most funds. This means that these Funds tend to be more volatile than other funds and their portfolio values can increase or decrease more rapidly. The performance of each Fund may differ in direction and degree from that of the overall stock market.

Small Capitalization: Funds which include smaller capitalization companies, may involve greater risk than Funds investing in larger, more established companies. For example, small capitalization companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalization companies may be more volatile. Transaction costs in securities of smaller capitalization companies can be higher than those of larger capitalization companies and there may be less liquidity.

Non-Investment Grade Debt: Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult. A Fund may incur additional expenses if an issuer defaults and the Fund tries to recover some of its losses in bankruptcy or other similar proceedings.

Foreign Risks: Investment in ETFs or Mutual Funds that hold securities of foreign issuers may involve certain risks that are greater than those associated with investment in securities in US issuers. These include risks of adverse changes in foreign economic, political, regulatory, and other conditions: changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges); differing accounting, auditing, financial reporting, foreign taxes, and legal standards and practices; differing securities market structure; differing trading and settlement practices; ownership restrictions, and higher transaction costs.

Emerging Market Risks: Emerging Market Risks and other risks (e.g. nationalization, expropriation or other confiscation of assets of foreign issues) are greater for those ETFs or mutual funds investing in companies tied economically to emerging countries, the economics of which tend to be more volatile than the economics of developed countries.

Geopolitical/Disruption of Market Risks: Geopolitical events may adversely affect global economies and markets and thereby decrease the value of an/or ease of trading those ETFs or mutual funds invested in those affected markets. Those events as well as other changes in foreign and domestic economic and political conditions could adversely affect the value of the strategy's investments.

Currency Risks: Fluctuations in exchange rates may adversely affect the value of ETFs or mutual funds that hold foreign currency holdings and investment denominated in foreign currencies.

Commodities Risks: Commodities involve unique risks that may be distinct from those that affect stocks and bonds, including but not limited to worldwide supply and demand factors, weather conditions, currency movements, and international government policies regarding commodity reserves and choice of currency for commodity pricing. Commodities investments may also involve unique risks inherent to investing in derivatives which may include basis, roll, liquidity and regulatory risks. A detailed explanation of the risks is available in the prospectus of the respective commodity fund. Commodity pools may be subject to different regulatory requirements than traditional funds governed by the Investment Company Act of 1940.

Real Estate Risks: Real estate-related investment (and the ETFs or mutual funds that hold them) may be adversely affected by factors affecting the real estate industry which may include changes in interest rates and social and economic trends. Real Estate Investment Trusts (REITs) may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by the ERITs manager, prepayments and defaults by borrowers, adverse changes in tax laws, and with respect to US REITs, their failure to qualify for the special tax treatment granted to TEITs under the Internal Revenue Code of 1986 and/or to maintain exempt status under the Investment Company Act.

MLP Risks: Investments in MLPs involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns. Depending on the state of interest rates in general, the use of MLPs could enhance or harm the overall performance of the Portfolio.

MLP Tax Risks: MLPs, typically, do not pay U.S. federal income tax at the partnership level. Instead, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law or in the underlying business mix of a given MLP could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned were treated as corporations for U.S. federal income tax purposes, it could result in a reduction of the value of your investment and lower income, as compared to an MLP that is not taxed as a corporation.

Exchange Traded Funds: Diversification does not ensure a profit and may not protect against loss in declining markets. Investors should refer to the individual ETF prospectus for a more detailed discussion of the specific risks and considerations for an individual ETF. ETFs may have underlying investment strategy risks similar to directly investing in commodities, bonds, real estate, international markets or currencies, emerging growth companies, or specific sectors. When investing in bonds, it is important to note that as interest rates rise, bond

prices will fall. Due to their narrow focus, sector-based investments typically exhibit greater volatility. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. When investing in real estate companies, property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance. The risk of loss in trading commodities and futures can be substantial. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you.

Illiquidity in Certain Investments: Certain investments, while publicly traded, may have limited liquidity. Investments with limited liquidity (such as bonds that do not trade frequently, small capitalization stocks, structured investments, etc.) can make it difficult to sell such investments, particularly during times of market volatility and/or stress. Further, the liquidity of a particular ETF will be impacted by: (a) the general liquidity of the ETF itself and (b) the liquidity of the underlying investments that comprise the ETF. Market conditions could create a situation where an ETF in Tectonic Advisors' portfolios have limited liquidity or greater volatility, based on these and other factors.

Important Disclosures about the Capital Integration Systems LLC Investments.

In addition to reviewing the risk disclosure contained herein, clients participating in the UMA Program with respect to certain alternative investments available to them through the Capital Integration Systems LLC ("CAIS") Portal should closely read the relevant prospectus or private placement memorandum prior to investing. Such documents are intended to include all material risks of such investments, and are hereby incorporated herein by reference.

- **Alternatives Risk:** Non-traded REITs, business development companies, limited partnerships, and direct alternatives are subject to various risks such as devaluation based on adverse market conditions and may not be suitable for all investors. A prospectus that discloses all risks, fees, and expenses may be obtained from your investment adviser representative. Read the prospectus carefully before investing. Investors considering an investment strategy utilizing alternative investments should understand that alternative investments are generally considered speculative in nature; and, such investments involve a high degree of risk, particularly if concentrating investments in one or few alternative investments.
- **Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time, and investments in a private investment company routinely include a "lock up" period, during which investors are not permitted to withdraw their funds from such private investment company. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies. In addition, private investment companies may employ leverage, including the use of borrowed funds. While such strategy may increase the opportunity to achieve higher returns on the amounts invested, it also increases the risk of loss.

Model Allocations: Certain third-party models (including the St. James Core Equity Strategy) may include higher allocations to cash or cash equivalents. In such cases, the performance of these positions will lag behind market

performance in rising markets. The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. While assets are maintained in cash or cash equivalents the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Direct Indexing: Direct indexing strategies seek to replicate the performance of a market index by directly holding the individual securities, or a representative sample of the individual securities, that make up the index. Direct indexing can provide a more tax efficient means of investing, and allows for more customized investment allocations, than investing in a fund or other commingled product that seeks to replicate the index. The potential benefits of direct indexing, however, will not necessarily be realized if a client does not take advantage of tax planning or impose account restrictions, such as account level security or sector-based restrictions or customizations based on specific tax, Environmental, Social, and Governance or other preferences. Fees and expenses for the direct indexing strategy in some cases will be higher than the fees and expenses associated with alternative index products. Higher fees and expenses could adversely impact account performance. The size of the account and the number of securities in the index the account seeks to replicate also limit the ability of the account to replicate the index. As a result, the direct indexing strategy introduces the risk of tracking error relative to the index and can cause a portfolio to underperform the index, including as a result of customization.

Recommendation of Other Advisers: In the event we recommend a third-party investment adviser to manage all or a portion of your assets, we will advise you on how to allocate your assets among various classes of securities or third-party investment managers, programs, or managed model portfolios. As such, we will primarily rely on investment model portfolios and strategies developed by the third-party investment advisers and their portfolio managers. If there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark, we may recommend changing models or replacing a third-party investment adviser. The primary risks associated with investing with a third party is that while a particular third party may have demonstrated a certain level of success in the past; it may not be able to replicate that success in future markets. In addition, as we do not control the underlying investments in third party model portfolios, there is also a risk that a third party may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. To mitigate this risk, we seek third parties with proven track records that have demonstrated a consistent level of performance and success over time. A third party's past performance is not a guarantee of future results and certain market and economic risks exist that may adversely affect an account's performance that could result in capital losses in your account. Please refer to the third-party investment adviser's advisory agreements, Form ADV Brochure, and associated disclosure documents for details on their specific investment strategies, methods of analysis, and associated risks.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as

regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Pandemic Risk: Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

Cryptocurrency Risk: Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network’s long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm’s clients

in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and “flow-through” to the underlying investors.

Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no material history of reportable legal or disciplinary events by our Firm, our principals or advisory representatives.

Other Financial Industry Activities and Affiliations - Item 10

CWA Financial Group, LLC

Tectonic Advisors’ owners have a material ownership interest in CWA Financial Group, LLC, the holding company of the following entities:

- Cain, Watters & Associates (“CWA”) – CWA is an SEC registered investment adviser. In addition to due diligence services provided to CWA, Tectonic Advisors offers portfolio strategies to CWA clients. Additionally, CWA can recommend clients include Tectonic model portfolios in their UMA allocation. This presents a conflict in that CWA has an incentive to recommend Tectonic Advisors over an alternative. To address these conflicts, Tectonic Advisors has adopted a code of ethics that requires the firm and its Associated Persons to uphold their fiduciary duty to clients. In addition, both firms share a CCO and closely coordinate compliance reviews to resolve potential conflicts.
- CWA Risk Solutions LLC (“Risk Solutions”) – Risk Solutions is a Texas based insurance agency. Risk Solutions’ services are actively marketed to Tectonic Advisors clients and we expect that clients to whom we offer advisory services will purchase insurance products from Risk Solutions. Clients are instructed that the fees paid to Tectonic Advisors for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Risk Solutions for insurance services and may use the insurance brokerage firm and agent of their choice. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. This creates a conflict of interest because Associated Persons have an incentive to recommend insurance products based on the compensation to be received, rather than on a client’s needs.
- CWA Tax and Accounting Services LLC (“CWA Tax and Accounting”) – CWA Tax and Accounting is a Certified Public Accountancy firm and certain of our Associated Persons also provide tax and accounting services through this entity. It is expected that clients for whom accounting and tax services are offered are also clients of Tectonic Advisors. The fees for accounting and tax services are separate and distinct from the fees charged for financial planning and advisory services. Clients are under no obligation to obtain bookkeeping, tax and accounting services through any person or entity affiliated with our firm.
- CFO Ortho, LLC (“CFO Ortho”) is a Utah based Certified Public Accountancy firm and certain of our Associated Persons also provide tax and accounting services through this entity. It is expected that clients for whom accounting and tax services are offered are also financial planning and advisory clients of Tectonic Advisors. The fees for accounting and tax services are separate and distinct from the fees charged for financial planning and advisory services. Clients are under no obligation to obtain bookkeeping, tax and accounting services through any person or entity affiliated with our firm.

- CWA Financial Operations LLC (“CWA Financial Operations”) – CWA Financial Operations provides payroll, benefits and administration services to our various affiliated entities.
- 7 Pillars LLC (“7 Pillars”) – 7 Pillars was formed in order to provide a variety of services related to the needs of dentists seeking to sell all or transition a portion of their practice to a Dental Service Organization (DSO) or private equity vehicle. The major services provided by 7 Pillars include: the financial analysis and calculation of EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization), finding potential buyers for such practice sales, as well as negotiate and facilitate their practice transition and post close terms.
- Elite Dental Alliance, LLC (“Elite Dental”) – Elite Dental is a membership organization in the business of providing cost savings for members through volume and loyalty discounts on products and services. Membership is primarily marketed to dentists. Elite Dental primarily markets its services to clients of CWA (and indirectly Tectonic Advisors) and receives its revenue primarily from membership fees, and administrative fees from vendors.
- NDP, LLC (fka National Dental Placements, LLC) (“NDP”) – NDP provides a variety of services related to the needs of dentists seeking to sell all or transition a portion of their practice. The primary services provided by NDP include: practice listings (e.g., finding potential buyers for such practice sales), practice valuation, and transition consulting services related to such practice sales.

The above-listed affiliated entities share certain personnel, conduct shared marketing campaigns, and have clients in common. In addition, Associated Persons of Tectonic Advisors can receive referral fees for recommending the services of these related entities. As such, a conflict of interest exists in that Tectonic Advisors and its Associated Persons have an incentive to refer clients to related services providers over a competitor, and it is possible that such a competitor could provide services to Tectonic Advisors clients at the same or preferable cost. Our affiliates are separately compensated if clients use their services. While we believe that the compensation charged by our affiliates is competitive, the fees charged may be higher than other firms that provide similar services. Clients are not required to use our affiliates’ services and may contract with other providers.

Tectonic Financial, Inc.

Certain owners of Tectonic Advisors have an ownership interest in Tectonic Financial, Inc., Tectonic Financial, Inc. has an ownership interest in the following entities:

- HWG Insurance Agency, LLC (“HWG Insurance”) – HWG Insurance is a Texas based insurance agency. Its services are actively marketed to CWA (and indirectly Tectonic Advisors) clients, and Tectonic Advisors expects that clients to whom it offers advisory services will purchase insurance products from HWG Insurance. Clients are instructed that the fees paid to Tectonic Advisors for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use HWG Insurance for insurance services and may use the insurance brokerage firm and agent of their choice. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. This creates a conflict of interest because Associated Persons have an incentive to recommend insurance products based on the compensation to be received, rather than on a client’s needs.

- T Bank, N.A., a national bank, (“T Bank”) – Certain indirect owners of Tectonic Advisors have an ownership interest in Tectonic Financial, Inc, which owns T Bancshares, Inc., the entity that owns T Bank. T Bank, a member of the Federal Deposit Insurance Corporation, is a full service bank engaged in traditional lending, cash and/or treasury management and other services. Tectonic Advisors has entered into a separate agreement with T Bank to provide model portfolios, investment research and investment recommendations. Although Tectonic Advisors believes T Bank to be an appropriate and suitable provider of trust services, please be advised that recommendations by Tectonic Advisors, their affiliates, officers, directors, and employees to clients concerning T Bank and the pooled investment program is regarded as a conflict of interest, by virtue of their ownership in T Bank. Tectonic Advisors has performed appropriate due diligence of T Bank Trust services, including comparison pricing and has concluded that T Bank provides quality services and competitive pricing.

Another service offered by T Bank is pension administration. Such services are offered under the name The Nolan Company. Tectonic Advisors expects that clients to whom it offers advisory services may receive pension administration services from The Nolan Company. Clients are instructed that the fees paid to Tectonic Advisors for advisory services are separate and distinct from the compensation earned by The Nolan Company for pension administration services. Clients to whom the firm offers advisory services are informed that they are under no obligation to use The Nolan Company for pension administration services and may use the pension administration service of their choice.

A material part of Tectonic Advisors investment advisory business is its appointment as the lead investment advisor to the T Bank collective pooled funds and its receipt of a fee based upon the assets under management.

- Sanders Morris LLC (“Sanders Morris”) – Sanders Morris is a dually registered broker dealer and investment adviser. T Bank utilizes the services of Sanders Morris to execute trades in certain Pooled Funds recommended to clients by CWA (and indirectly, Tectonic Advisors). Sanders Morris receives commissions for the transactions placed on behalf of the funds. Additionally, Sanders Morris acts as a model provider for certain Tectonic Advisors clients. This recommendation presents a conflict of interest for Tectonic Advisors as Sanders Morris receives both fee based and commission-based compensation on the allocated assets. This creates an incentive for CWA to recommend Sanders Morris over other model portfolio advisors. To mitigate this conflict, in addition to the firm’s code of ethics policies, CWA Compliance reviews and works with CWA owners and the Investment Committee to resolve potential conflicts.

The above listed affiliated entities may share certain personnel and have clients in common. As such, a conflict of interest exists in that Tectonic Advisors and its Associated Persons have an incentive to refer clients to related service providers over a competitor, and it is possible that such a competitor could provide services to Tectonic Advisors clients at the same or preferable cost. Our affiliates are separately compensated if clients use their services. While we believe that the compensation charged by our affiliates is competitive, the fees charged may be higher than other firms that provide similar services. Clients are not required to use our affiliates’ services and may contract with other providers.

III to I Foundation, Inc. – Charitable foundation offering seminars financial education and scholarships. Annual and lifetime membership fees from individual donations and registrations fees; Certain Tectonic Advisors clients are subscribers or donors.

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

Description of Our Code of Ethics

Tectonic Advisors has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Tectonic Advisors' policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Tectonic Advisors' Code of Ethics is available upon request to the Chief Compliance Officer at Tectonic Advisors' principal office address on the cover of this brochure.

Participation or Interest in Client Transactions

Clients of Tectonic Advisors may have been presented investment by partnerships or other ventures in which Tectonic Advisors, its related entities, related persons, and managing members may act in one or more of the following capacities, (i) managing members, (ii) general partners, (iii) limited partners, (iv) service providers, or (v) investors of these partnerships and other ventures. There is an inherent conflict of interest in that managing members or employees of Tectonic Advisors, and its related persons may have an ownership, controlling, beneficial, or managerial interest in the aforementioned entities, and may provide services to these entities for which they may be compensated. However, such current investments are no longer open to new investors or open to any additional capital and are in a distribution stage in advance of preparations for eventual winddown.

Personal Trading Practices

At times Tectonic Advisors and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

Brokerage Practices - Item 12

Tectonic Advisors has been engaged by T Bank to act as their lead investment adviser for certain collective investment funds used for qualified plan assets and certain common trust funds maintained for their personal trust assets (the "Funds"). This arrangement is described in further detail in Items 4 and 10 above. Each fund is managed by one or more independent, third-party money managers or invested in mutual funds. Decisions related to the purchase and sale of securities are made by the individual money managers or mutual funds.

Brokerage and Custodial Services Offered by Schwab

Clients participating in the Separately Managed Account Program are required to use Charles Schwab & Co., Inc. ("Schwab"). Schwab is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Schwab is an independent and unaffiliated SEC-registered broker-dealer. Schwab offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our Investment Adviser Representatives are not registered representatives of Schwab and do not receive commissions or other compensation from recommending these services. Tectonic Advisors receives some benefits from Schwab through its participation in the program.

Schwab offer independent investment advisers services, which include custody of client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

Additional Benefits Received from Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated; and, we are not affiliated with Schwab. Schwab will hold assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them.

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

Services that Do Not Directly Benefit You: Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance-related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment for our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services.

Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds.

The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us.

Tectonic Advisors understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all Tectonic Advisors clients and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Tectonic Advisors may not always obtain the lowest commission rate, Tectonic Advisors believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Some of the programs offered in our portfolio management services are only available to accounts custodied at one or more of the broker-dealers that we recommend. For other programs, we have the capability of working with other custodians upon the client's request.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements with any broker-dealer. Through our relationships with broker-dealers, we or our affiliates receive research or other services at no charge. However, the receipt of such research and additional benefits is not contingent upon us committing any specific amount of business to the providing broker-dealer. We do not use client brokerage commissions paid to the broker-dealer for the purposes of obtaining research or other services.

Nonetheless, a conflict exists between the interests of our clients in receiving best execution (and lower transaction costs) and our interest in receiving research and/or other services and recommending the broker-dealers who provide us with such research and services. We do not attempt to put a dollar value on the services received by each account, nor do we attempt to allocate or use the services received for the benefit of specific accounts or attempt to use any particular item to service all accounts. We will use the services we receive to assist in managing accounts not maintained with the broker-dealer whose commissions were used to pay for such services. The services and support we receive from broker-dealers are used to help our firm to fulfill its overall client obligations.

To address this conflict of interest, we have adopted policies and procedures to conduct periodic best execution reviews to monitor and mitigate this conflict. When conducting a best execution review and/or otherwise reviewing the broker-dealers, we consider the transaction costs (including commissions or spreads, market impact costs, and opportunity costs), as well as the full range and quality of the broker-dealer and related services the broker-dealer provides. We consider the speed, certainty, consistency and accuracy of execution, responsiveness to our inquiries and requests, willingness and speed in resolving errors or other discrepancies, access to financial products and markets, and research, analyses, and various electronic products and services provided by the broker-dealer. We periodically evaluate the usefulness of the services the broker-dealer provides in relation to transaction costs.

Tectonic Advisors will continue to review periodically its determination that the costs and quality of services from the broker-dealers we recommend are reasonable in relation to the value of the services provided, viewed in terms of the overall relationship.

Best Execution

In recommending broker-dealers, we consider the full range and quality of the broker-dealer's services, including, among other things, execution capability, cost, financial responsibility, responsiveness, and the value of research and other services provided. Tectonic Advisors will not recommend a broker-dealer solely on the basis of the lowest possible commission cost, but rather, will determine whether the broker-dealer has the ability to provide the best qualitative execution. The reasonableness of a broker-dealer's compensation is based on the broker-dealer's ability to provide professional services, competitive commission rates, research, and other services which will help us in providing investment services to clients. Consequently, we may recommend a broker-dealer that provides useful research and brokerage services, even though a lower commission may be charged by a different broker-dealer.

As a fiduciary, we recognize our duty to seek best execution. We regularly evaluate all broker-dealers recommended and utilized. In doing so, we consider all of the products, services, and benefits that we and our clients receive as well as the cost and quality of the custodial or brokerage services a broker provides. We continue to believe that our use of the recommended broker dealers is consistent with our fiduciary responsibilities.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers and custodians in which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

Directed Brokerage

Depending on the program selected, clients for whom we provide portfolio management services will be required to direct us to execute transactions through a specified broker-dealer. Not all investment advisers require their clients to direct the use of a particular broker. When clients direct brokerage, we may not be able to achieve most favorable execution of client transactions. Certain cost-reducing measures, such as volume discounts or aggregate trading, may not be available, and we may receive less favorable pricing. As a result, directing brokerage may cost clients more money.

Trade Aggregation/Block Trading

Tectonic Advisors may aggregate transactions for clients to improve the quality and cost of execution. When transactions are aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved

at the average price obtained. Tectonic Advisors may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, and the liquidity of the securities. If the firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money. Tectonic Advisors and/or its Associated Persons may participate in block trades with clients; however, Tectonic Advisors and/or its Associated Persons will not participate on a pro rata basis for partial fills.

Review of Accounts - Item 13

Client Accounts are generally reviewed on at least an annual basis. The annual reviews typically focus on the client's personal financial situation, any current or new account restrictions or any changes in investment objectives as well as the continued suitability of the client's investment policy statement. Clients are instructed to notify Tectonic Advisors immediately of any changes in their investment objectives or financial condition.

Tectonic Advisors continually monitors the investment models and strategies. Changes affecting a particular investment strategy will trigger changes to all client portfolios following that strategy or model.

Clients will receive monthly or quarterly statements from their custodian and may access their accounts via their custodian's website. The custodian's website will have the custodian's monthly or quarterly statements and in some cases daily information. In addition, Tectonic Advisors produces a quarterly performance report as a service to its clients; it is not intended to take the place of the custodial statements.

Client Referrals and Other Compensation - Item 14

As disclosed under Item 12 above, Tectonic Advisors participates in Schwab's institutional customer program and Tectonic Advisors may recommend Schwab to clients for custody and brokerage services. There is no direct link between Tectonic Advisors' participation in the program and the investment advice it gives to its clients, although Tectonic Advisors receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits are described in item 12 above.

Custody - Item 15

Tectonic Advisors is deemed to have custody of client funds because of the fee deduction authority granted by the client in the Advisory Agreement.

Tectonic Advisors is deemed to have custody of client funds because T Bank, an affiliated party, acts as a qualified custodian for certain client accounts. Fund assets are held in custody with the following T Bank approved Custodian: US Bank

Clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's account assets. Tectonic Advisors urges the client to carefully review these statements.

Investment Discretion - Item 16

Tectonic Advisors provides portfolio management services to its advisory clients on both a discretionary and a non-discretionary basis. Please see Item 4, Advisory Services for a full description of Tectonic Advisors' services.

Voting Client Securities - Item 17

Tectonic Advisors does not exercise the authority to vote proxies on behalf of client securities.

Financial Information - Item 18

Tectonic Advisors does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Tectonic Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Requirements for State-Registered Advisers - Item 19

This section is intentionally left blank- Our firm is SEC registered