



ADV Part 2A - Firm Brochure

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Cantella & Co., Inc. (“Cantella”) is a nationally registered broker/dealer and SEC Registered RIA located in the Financial District in Boston. We are service professionals helping financial professionals provide for client financial needs which may include financial planning, retirement planning, children’s education planning, investment management, and managing taxes efficiently. Our experienced financial advisors utilize a vast array of wealth management tools to help individuals, families, and business owners develop investment portfolios and strategies to meet their financial goals and objectives.

This brochure provides information about the qualifications and business practices of Cantella. If you have any questions about the contents of this brochure, please contact Cantella at (800) 333-3502 or by email via compliance@cantella.com.

The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Being registered does not imply a certain level of skill or training.

Additional information about Cantella also is available on the SEC’s website at www.adviserinfo.sec.gov.

Summary of Material Changes to Form ADV Part 2A – Firm Brochure

The firm brochure provides information about the qualifications and business practices of Cantella & Co., Inc. (“Cantella”). If you would like a copy of the most recent Form ADV Part 2A – Firm Brochure, you can retrieve it from the firm’s website at www.Cantella.com. The document is located at the bottom of the home page under Disclosure Information and titled Form ADV Part 2A – Firm Brochure. You may also email Cantella compliance using the email address compliance@cantella.com and request a copy be emailed or sent via hard copy to your address of record. A copy of the brochure may also be requested by calling client services at 800-652-8358.

Material changes since the firm’s last filing in October 2017, of the Form ADV Part 2A are provided below:

In 2018, under the Cantella Asset Management (“CAM”) Wrap fee program, we began a pilot offering where clients will have access to a number of different strategists and a UMA option across all three clearing platforms including our Cantella Tactical US Equity Strategy and Cantella US Leveraged Opportunities Strategy which were previously only available on our Pershing platform.

The Cantella Tactical Diversified Global Strategy has been closed to new investors.

Custody is defined as any legal or actual ability by our firm to access client funds or securities. All client funds and securities are held with one or more “qualified custodians.” However, although our firm does not take actual possession of client funds or securities, we are deemed to have constructive custody of certain client accounts and funds under current SEC interpretation and guidance. Clients with advisory accounts receive account statements from the custodian that holds their assets. Clients should review their statements carefully and contact their Financial Advisor or Cantella with any questions.

Item 2: Material Changes

Please see Summary of Material Changes located in Item 1, page 2.

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Item 4: Advisory Business

- A. Cantella was founded in 1952 by Vincent Cantella. Initially a broker dealer, the firm launched its advisory business as an (“RIA”) under the same name in 1996. A privately held company, Cantella’s largest stockholder is Cantella Management Corporation.
- B. Cantella’s business is to work with individuals and companies providing advisory services to clients by and through IARs. These services consist principally of asset management and financial planning.

Cantella IARs can offer a number of options to clients with respect to financial planning:

- Comprehensive Financial Planning: A review of income (payroll, income, dividends), debt (mortgage, credit cards, loans), personal expenditures, tax returns, insurance policies, retirement and pension statements, trust documents, other savings or investment statements and any other pertinent data, in order to give the client a holistic picture of his/her financial life. The plan will take into account the client’s current lifestyle, future allocations and can include ‘what-if’ scenarios.
- Situation Specific Financial Planning: The IAR will collect pertinent data, including data supplied by the Client, conduct personal interviews with the Client, prepare analyses of the financial data collected, and present a written financial plan to the Client opining how to achieve the specific financial goal(s).

Financial planning is a separate service from Cantella’s investment management services. Clients have full discretion as to how they choose to implement the recommendations discussed in the financial plan. There is no requirement to use Cantella or any of its representatives for investment services. An additional agreement will be required if the client chooses to utilize the representative for further investment services.

Neither Cantella nor its IARs (unless they have the appropriate independent qualifications) are qualified to render legal or accounting advice, and do not claim to render such advice.

Cantella IARs can offer a number of options to clients with respect to investment management. Clients can hire, through an advisory contract, Cantella IARs to manage their assets. In this relationship, the IAR will manage client assets in accordance with their individual risk tolerance, investment objective, and time horizon and investment experience. IARs can manage these client assets through discretionary or non-discretionary trading. If a client chooses to give their IAR discretion, it gives the IAR the ability to manage the client’s account(s) without having to speak with the client each time they feel a transaction should be made. Any activity performed by the IAR will be in the best interest of the client. This discretion does not allow the IAR to withdraw funds from the client account. If a client chooses non-discretion, then the IAR will have to speak with the client prior to executing any transaction in the client account. For Investment Advisor Representatives dually registered with Cantella’s broker-dealer, Cantella has agreements with three firms that provide custody and clearing: Pershing, National Financial Services (“NFS”), and Raymond James. A number of factors are taken into consideration with respect to where a client account is established. These considerations may include, but are not limited to, experience with a particular firm, services available through the firm, and programs available through the firm.

Cantella offers a number of advisory account types for IARs to use when managing client assets.

- Cantella Classic Gold Accounts: In Cantella Classic Gold Accounts, the client pays transaction charges, as well as an advisory fee based on assets under management. The minimum account size to participate in this program is generally \$25,000. The minimum account size is subject to increase or decrease at Cantella's discretion.
- Cantella Classic Platinum: In Cantella Classic Platinum and Plan Participants Accounts the client does not pay transaction charges. The client does pay an advisory fee, based on assets under management. The minimum account size to participate in the Cantella Classic Platinum Program is generally \$25,000. The minimum account size is subject to increase or decrease at Cantella's discretion.
- Retirement Plans: Cantella offers through its IARs consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans ("Sponsor(s)"). IARs may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. A fee may be charged for these services as described in this Form ADV Part 2A and the Retirement Plan Consulting Agreement. The minimum account size to participate is generally \$25,000 but there is a no minimum option available. The minimum account size is subject to increase or decrease at Cantella's discretion.

Retirement Plan services are either Fiduciary Services or Non-fiduciary services. Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or applicable state laws, rules or regulations. When delivering

Fiduciary Services, IARs will perform those services to the plan as a fiduciary under ERISA Section 3(21) (A) (ii) or comparable state law, as applicable, and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. Sponsor may engage IAR to perform the Retirement Plan Services by providing information about the plan, including plan design, plan objectives, investment objectives, investment risk tolerance, demographics about the plan participants, and third – party service providers, and by executing a Retirement Plan Consulting Agreement. The IAR will provide Sponsor a copy of this Form ADV Part 2A or a comparable brochure and the Agreement for review. The Agreement describes the terms of the arrangement between the IAR and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to Cantella before the IAR performs any Retirement Plan Services. A description of the Retirement Plan Services is as follows:

Fiduciary Services: Plan Sponsor Services

- Preparation and delivery of Investment Policy Statement ("IPS"): IAR will review with the sponsor the investment objectives, risk tolerance and goals of the plan. IAR will prepare and

deliver an IPS to the Sponsor that aligns with the objectives and goals previously identified by the Sponsor.

- Selection and monitoring of Designated Investment Alternatives (“DIAs”): Once the IPS is approved by the Sponsor, IAR will review the investment options available to the Plan and will select the Plan’s DIAs to be offered to Plan participants that meet the criteria set forth in the IPS. On a periodic basis, IAR will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.
- Creation and Maintenance of Model Asset Allocation Portfolios (“Model Portfolios”): IAR will select certain DIAs to create a series of risk-based Model Portfolios. IAR will apply generally accepted investment theories so that the Model Portfolios are designed with the objective to be reasonably diversified to minimize the risk of large losses and designed to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures to meet each of the risk-based categories. IAR will diversify, reallocate and rebalance the Model Portfolios and associated risk levels over time in accordance with generally accepted investment theories and consistent with the Plan’s IPS. IAR may make changes to the underlying investments and/or the asset allocations percentages of the Model Portfolios and will communicate any instructions directly to the Record-keeper or Custodian. IAR will, on a periodic basis and/or upon reasonable request, provide reports, to Sponsor.
- Selection and Monitoring of Qualified Default Investment Alternative(s) (“QDIA”): Based on the Plan’s IPS or other guidelines established by the Plan, IAR will review the investment options available to the Plan and will select the Plan’s QDIA(s) for Plan participants that are automatically enrolled in the Plan and/or who fail to direct the investment of their individual accounts. On a periodic basis, IAR will monitor and evaluate the QDIA(s) and replace any QDIA(s) that no longer meet the IPS criteria.

If the Plan elects to utilize the Model Portfolios as QDIAs, IAR will instruct the Plan’s Record-keeper to invest the defaulted participant’s accounts into one or more Model Portfolios based upon their age, target retirement date and/or other information available to IAR. Depending upon the capabilities of the Record-keeper, IAR may instruct it to automatically move these participants into a more conservative model portfolio at then-year intervals. If the Record-keeper cannot accommodate such standing instructions, then all Plan participants who fail to direct their QDIA(s) will be invested in a moderate Model Portfolio.

Non-Fiduciary Services: Plan Sponsor Services

- Advice Regarding Establishing or Revising an Investment Policy Statement (“IPS”): IAR will review with the Sponsor the Investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, IAR will provide recommendations to the Sponsor to assist in establishing an IPS. If the Plan has an existing IPS, IAR will review it for consistency with the Plan’s objectives. If the IPS does not represent the objectives of the Plan, IAR will recommend to the Sponsor revisions that will establish investment policies that are congruent with the Plan’s objectives.

- **Advice Regarding Selecting and Monitoring Designated Investment Alternatives (“DIAs”):** Based on the Plan’s IPS, IAR will review the investment options available to the Plan and will make recommendations to assist the Sponsor in selecting DIAs to be offered to Plan participants. Once the Sponsor selects the DIAs, IAR will, on a periodic basis and/or upon reasonable request, provide reports and information to assist the Sponsor in monitoring the DIAs. If the IPS criteria require and DIA(s) to be replaced, IAR provide recommendations to assist the Sponsor in replacing the DIA(s).
- **Advice Regarding Allocation and Rebalancing of Model Asset Allocation Portfolios (“Model Portfolios”):** Based on the Plan’s IPS or other investment guidelines established by the Plan, the IAR will review the investment options available to the Plan and will make recommendations to assist the Sponsor to create the maintain Model Portfolios. Once the Sponsor approves the Model Portfolios the IAR will provide reports, information and recommendations, on a periodic basis, designed to assist the Sponsor to monitor the Plan’s investments. If the IPS criteria require any DIA(s) to be removed, the IAR will provide recommendations to assist the Sponsor to evaluate replacement DIA(s) to be included in the Model Portfolio. Upon reasonable request, the IAR will make recommendations to the Sponsor to rebalance the Model Portfolios to maintain their desired allocations.
- **Advice Regarding Selecting and Monitoring Qualified Default Investment Alternative(s) (“QDIA”):** Based on the Plan’s IPS or other guidelines established by the Plan, IAR will review the investment options available to the Plan and will make recommendations to assist the Sponsor in selecting the Plan’s QDIA(s) for Plan participants that are automatically enrolled in the Plan and/or who fail to direct the investment of their individual accounts. Once the Sponsor selects the Plan’s QDIA(s), IAR will provide reports and information, on a periodic basis and/or upon reasonable request, to assist the Sponsor in monitoring the QDIA(s). If the IPS criteria require a QDIA to be replaced, IAR will provide recommendations to assist the Sponsor in evaluating the QDIA(s).
- **Advice Regarding Selecting and Monitoring of Investment Managers (Not Available for Solicitors):** Based on the Plan’s IPS or other guidelines established by the Plan, IAR will review the potential investment managers available to the Plan and will make recommendations to assist Sponsor to select one or more investment managers. Once Sponsor approves the investment manager, IAR will provide, on a periodic basis, reports, information and recommendations to assist Sponsor to monitor the Plan’s investment managers. If the IPS criteria require an investment manager to be removed, IAR will provide information and analysis to assist Sponsor to evaluate replacement of investment manager(s).

Non-Fiduciary Services: Participant Services

- **Assistance with Plan Governance and Committee Education, Including:**
 - Determining Plan Objectives and Options Available Through the Plan.
 - Reviewing Retirement Plan Committee Structure and Requirements.
 - Reviewing Participant Education and Communication Strategy, including ERISA Rule 404(c) Requirements.
 - Coordinating and Reconciling Participant Disclosures under ERISA Rule 404(a).

- Developing Requirements for Responding to Participant Requests for Additional Information.
- Developing and Maintaining a Fiduciary Audit File.
- Attending Periodic Meetings with Plan Committee (Upon request by Plan Sponsor).
- Assistance with Plan Fiduciaries' Vendor Management (Service Provider Selection/Review), Including:
 - Reviewing Fees and Services and Identifying Procedures to Track the Receipt and Evaluation of ERISA Rule 408(b) (2) Disclosures.
 - Providing Periodic Benchmarking of Fees and Services to Assist Review for Reasonableness.
 - Reviewing ERIS Spending Accounts or Plan Expense Recapture Accounts ("PERAs").
 - Generating and Evaluating Service Provider Requests for Proposals ("RFPs") and/or Requests for Information ("RFIs").
 - Support with Contract Negotiations.
 - Service Provider Transition and/or Plan Conversion.
- Investment Education for Plan Fiduciaries Concerning:
 - Investment Policy Statements.
 - Assessment of Overall Investment Structure of the Plan (i.e., types and number of asset classes, model portfolios, etc.).
 - Review of the Plan's Investment Options.
 - Review of Qualified Designated Investment Alternatives ("QDIA").
 - Search and Review of Investment Managers.
- Employee Investment Education and Communication Including:
 - Providing Group Enrollment and Investment Education Meetings.
 - Providing Fee Specific Education and Communicate the Plan's Requirements for Requesting Additional Information about Plan Fees and Expenses.
 - Supporting Individual Participant Questions.
 - Providing Periodic Updates, Upon Request or Newsletter.
 - Assisting Participants with Retirement Readiness.

Potential Additional Retirement Services Provided Outside of the Agreement

In providing Retirement Plan Services, Cantella and its IAR may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation: 1) as a result of a decision by the participant or beneficiary to purchase services through the IAR non involving the use of plan assets; 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or 3) through an Individual Retirement Account rollover ("IRA Rollover"). IARs will not, however, solicit services from plan participants or beneficiaries when providing Retirement Plan Services. If the IAR is providing Retirement Plan Services to a plan, IAR may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or

beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant's or beneficiary's interest in the plan in providing that service). If a plan participant or beneficiary desires to affect an IRA rollover, Cantella/IAR may provide participant or beneficiary with a written explanation of the options available to the plan participant or beneficiary. Any decision to affect the rollover or about what to do with the rollover assets, remains that of the participant or beneficiary alone.

- Pershing Advisory Solutions Accounts: In the PAS Accounts Program, the client pays transaction charges, as well as an advisory fee, based on assets under management. Transaction charges are disclosed in the Investment Advisory Agreement. PAS relies on its affiliate Pershing LLC to provide execution services.
- Opportunity Accounts: In the Opportunity Accounts Program, the client pays transaction charges, as well as an advisory fee, based on assets under management. The minimum account size to participate in the Opportunity Account Program is generally \$25,000. The minimum account size is subject to increase or decrease at Cantella's discretion.
- Ambassador Accounts: In the Ambassador Account Program the client pays an annual Advisory Fee for the advice and services provided by your Investment Adviser Representative as a part of your advisory relationship. The minimum account size to participate in the Ambassador Account Program is \$50,000.
- Third Party Money Managers: Cantella through its IARs may offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered as investment advisors. When an IAR refers a client to a third-party money manager the manager will provide asset management and investment advisory services directly to the client. The third-party money manager is responsible for continuously monitoring client accounts and making trades when appropriate.
- Sub-Advisors: Cantella has entered into agreements with various sub-advisors. Under these agreements, the sub-advisors have agreed to provide various types of money management services. All sub-advisors whom Cantella selects will be licensed as investment advisors by their resident state and any applicable jurisdictions or RIAs with the Securities and Exchange Commission. Clients will not enter direct contracts with the sub-advisor. Cantella maintains the authority to hire and terminate the services of each sub-advisor contracted by Cantella.

After gathering information about a client's financial situation and investment objectives, the IAR may select one or more sub-advisors to manage a portion or all of the client's assets. Cantella is responsible for paying fees and brokerage commissions charged by the sub-advisor and may, in turn, charge its clients for these fees. Client's fee agreement will state the total fees payable and the percentage of that fee that is payable to the sub-advisor. This information is disclosed to the client in the client fee agreement.

Cantella also makes available to its IARs Third Party Wrap Programs, for use with appropriate clients. These programs are offered by Outside Registered Investment Advisory Firms ("Outside RIA"), referred to as third party wrap programs. Cantella participates in a number of third party wrap programs that offer investment options across investment styles and objectives. The client accounts for these programs are generally held at the Third Party and not via NFS, Pershing or Raymond James. Third party programs may have account minimums, which are disclosed in their investment advisory brochures. Generally, they will not accept accounts under \$100,000, although some have higher and some have lower minimums.

The Sponsors of the wrap program generally recommend a selection of participating manager(s). The Sponsor reviews information such as backgrounds, history, past performance, and keeping with one's stated objectives and risk tolerance. The Sponsor uses this information to determine which investment managers will be included as available choices in the wrap program.

Clients that enter into agreements with sub-advisors or Third Party Wrap Programs will receive that firm's ADV Part 2 prior or at the time of signing the client agreement.

Cantella is the sponsor for two sub-advisory platforms and an asset management platform for IARs to utilize in meeting client objectives. These platforms are offered to clients as Wrap accounts.

- Managed Account Command: via Pershing LLC ("Pershing"). Cantella provides investment management and investment advisory services through the Managed Account Command Program ("Account Command") available from Lockwood Advisors, Inc. ("LA") There are a number of options available through Account Command for IAR use with clients including separately managed accounts, LAAP, LIS, and AdvisorFlex. Cantella, as sponsor, provides its clients with an extensive range of investment advisory services through Account Command as well as individually managed accounts where Cantella has enlisted third parties, including LA and MBSC Securities Corp ("MBSC"), to provide certain products and services as described below. Neither LA nor MBSC is affiliated with Cantella, although jointly providing services, as applicable, in connection with Account Command.
 - Separately Managed Accounts ("SMA"): Traditional Separately Managed Account product offering more than 50 managers covering a variety of investment styles/options.
 - Lockwood Asset Allocation Portfolios ("LAAP"): LAAP is a discretionary, multi-discipline managed account product. As the portfolio manager, LA determines the asset allocation strategy and selects investment vehicles for each investment style component of LAAP based on its proprietary models. These models may consist of open and closed end mutual funds, exchange traded funds, and exchange traded notes and other securities as determined by LA.
 - Lockwood Investment Strategies ("LIS"): LIS is a discretionary, multi-disciplined unified managed account program. A single account may have multiple core models invested in the account versus opening multiple separate accounts each with its own strategy. The LIS models are designed to span the risk/return spectrum, from current income to growth, within the context of a diversified portfolio. As portfolio manager, LA determines the asset allocation strategy and selects both sub-advisors and/or specific investment vehicles for each investment style component based on the firm's proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline. These models may consist of individual securities, mutual funds, exchange traded funds, and exchange traded notes and other securities as determined by LA.
 - AdvisorFlex Portfolios ("AFP"): Currently AFP includes three objective based strategies which are Appreciation, Income, and Preservation ("strategies"), with multiple models within each strategy. AFP consists of sixteen models/asset allocation strategies ("Models").
 - The Appreciation Strategy is designed to provide the long-term level of returns associated with equity and fixed income asset classes, while seeking above average risk-adjusted levels of appreciation. Within this

strategy, there are six models available. Model I is the most conservative and Model VI is the most aggressive. The models seek to achieve their objectives through tilts toward asset classes with above average cumulative return potential, as well as asset classes that pay a premium to investors with a long-term time horizon.

- The Preservation Strategy is designed to provide the long-term level of returns typically associated with equity and fixed income asset classes, while seeking downside protection and a lower level of long-term volatility, relative to respective standard capitalization. Within the strategy, there are five models available. Model I is the most conservative and Model V is the most aggressive. The models seek to achieve their objectives through tilts toward non-cyclical economic sectors, higher quality securities, and alternative strategies that may alter the risk characteristics of the portfolio.
 - Income Strategy is designed to provide an above-average level of yield while maintaining a diversified portfolio. Within the strategy, there are five models available. Model I is the most conservative and Model V is the most aggressive. The models seek to achieve their objectives through the use of numerous asset classes which may include high dividend-yielding stocks, real estate investment trusts, master limited partnerships, closed-end funds, fixed income, and preferred securities.
 - LA in its sole discretion may rebalance a client account in such instances as LA deems are in the client's best interests. LA reviews each account's drift from the applicable selected model on a regular basis and rebalances an account as the circumstances warrant. Drift may occur if a particular portion of the account increases requiring rebalancing to get the account allocated to the model's objectives. LA monitors the asset allocations and oversees the investment selections to ensure the AFP models and investments are performing as expected. Multiple factors are considered any time a change is recommended. The client grants limited discretion to his/her IAR to make changes to primary selections and alternate selections in client's AFP account and to make other decisions relating to the AFP account on the client's behalf.
 - The minimum account size to participate in the SMA is generally \$100,000, the AFP and the LAAP programs are generally \$50,000, and the LIS program is generally \$250,000. The minimum account size is subject to increase or decrease at the sponsor's discretion.
- Managed Account Solutions: via NFS. Cantella provides investment management and investment advisory services through a partnership with Envestnet Asset Management ("Envestnet") and their contracted independent investment advisors through the Managed Account Solutions Program ("MAS"). Cantella provides its clients through their IAR an extensive range of investment advisory services through MAS as well as individually managed accounts where Cantella has enlisted third parties, including Envestnet, to offer various investment management products and services. Envestnet and Cantella are not affiliated other than through jointly providing services to the Program. The minimum account size to participate in the MAS program is generally \$100,000. The minimum account size is subject to increase or decrease at the sponsor's discretion.

Regarding asset management and investment vehicle evaluation, Cantella primarily utilizes information gathered by Envestnet through their initial and ongoing research and due diligence process. Cantella offers managers from Envestnet's "Approved" list. In order to list a manager as "approved," Envestnet employs a rigorous multi-phase approach to researching and selecting Managers suitable for participation in its investment programs. "Approved" Managers are evaluated using data and information from several sources, including the Manager and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed is the Manager's ADV 2, portfolio holdings report, which help to demonstrate the Manager's securities selection process. To ensure accuracy, Envestnet attempts to verify all information by comparing it to public available sources.

- **Cantella Asset Management ("CAM"):** Cantella provides investment management and investment advisory services to its clients through their IARs. IARs will work with clients to determine what platform is most appropriate in attempting to assist clients with their individual goals and objectives. Clients participating in a new pilot offering within CAM, with accounts at Pershing, NFS and Raymond James, will have access to a number of different strategists and a UMA option including our Cantella Tactical US Equity Strategy and Cantella US Leveraged Opportunities Strategy which were previously only available on our Pershing platform. Cantella through CAM allows for IARs to manage client accounts on a discretionary basis. Clients have three options when establishing accounts through CAM:
 - **Representative as Portfolio Manager ("Rep as PM"):** IARs will assist clients with the completion of a Risk Profile Questionnaire ("RPQ"). IARs may then create a client proposal driven by the client's tolerance for risk as identified in the client RPQ.
 - **Single Sleeve Strategists:** Cantella will make available to its IARs and their clients approved Strategists. The selected Strategist will send trade signals to Cantella's trading department for execution.
 - **Unified Managed Account ("UMA"):** The UMA option allows a client to utilize multiple Strategists or Rep as PM in one account. The IAR will work with the client using the RPQ to recommend which Strategists, including whether the IAR will be managing a portion of the assets.

The decision on which option to select is made between the client and their IAR.

- C. Cantella makes available through its IARs, advisory services to meet most individual client needs and objectives. It is the role of the IAR to meet with clients and determine which option(s) are most suitable in assisting clients with meeting their investment needs. Certain programs available through Cantella may be utilized by multiple clients that have similar time horizons, needs and objectives. Cantella offers clients the ability to place restrictions on their advisory account(s). In general, the restrictions may include security type, specific securities, and cash balance requirement. Under certain situations a restriction may prevent the IAR from providing investment choices to meet a client's needs. In the event a restriction does impair the IARs ability to manage a portfolio effectively the client agreement may be terminated under the terms of the contract.
- D. Cantella offers a number of wrap fee programs to clients. Each IAR manages his/her client accounts based on the client's personal investment needs and objectives. A wrap account is determined by the

way fees are paid by clients, for advisory fees associated with their account(s). In a wrap account a client generally pays one fee for advisory services and any transaction costs. In a non-wrap account, the client will pay an advisor fee plus any transaction costs associated with buys or sells in the client account(s). Through the IARs process of getting to know their client the decision to utilize a wrap account or transaction based account will be determined. Cantella receives a portion of wrap fees paid to IARs. Cantella will receive Rule 12b-1 fees in connection with the underlying mutual funds that clients invest in through the Select Models in lieu of charging clients a wrap fee.

E. Cantella IARs may manage client accounts on a discretionary or non-discretionary basis.

DISCRETIONARY	NON-DISCRETIONARY	DATE CALCULATED
\$ 655,727,323	\$598,076,101	3/31/2018

Item 5: Fees and Compensation

A. As described in Item 4 Cantella offers a number of advisory services to meet client needs and objectives. Cantella offers these services for a percentage of assets under management, hourly charges, or fixed fees.

Advisory fees and financial planning fees charged are negotiable and assessed on an individual client basis according to different methods disclosed to and agreed upon in advance with the client. Amounts charged take into account the complexity of work to be performed, time involved, degree of responsibility of the IAR, special needs and characteristics of the client, types of investments, costs to manage the account, etc. Certain programs have fees that cannot be negotiated as they are fixed costs associated with that particular offering. In these instances, Cantella works with programs to attempt to negotiate the best possible fees for its clients.

- **Financial Planning:** Fees charged by IARs are generally based upon actual or estimated hourly charges, which can vary according to the complexity of the financial planning services being provided. Cantella typically retains ten percent and the IAR retains the balance. Generally, upon the conclusion of the Financial Planning service(s) the client will write a check, payable to Cantella for services rendered, in full. However, sometimes other arrangements, which are laid out in the financial plan may be made. This may occur for instance if an IAR is preparing a comprehensive financial plan and the payment for services is done through various stages of the planning process. Client’s should refer to their Financial Planning Advisory Agreement for the specific terms of the planning engagement.
- **Cantella Classic Gold Accounts:** Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Classic Gold Investment Advisory Agreement. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month’s end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month’s statement.

Standard fee schedule for Cantella Classic Gold accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Gold Investment Advisory Client Agreement.

Account Asset Value	Annualized Fee
First \$500,000	2.00%
Next \$500,000	1.75%

Over \$1 million	1.50%
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Cantella Tactical Advisory Account: Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement

In the case of the Cantella Tactical Advisory Account's, advisory fees paid are a combination of the IAR's fee and Cantella's Program Fee.

Standard fee schedule for Cantella Tactical Advisory Accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Tactical Investment Advisory Client Agreement.

Cantella Tactical US Equity

Account Asset Value	Annualized Fee
First \$500,000	2.50%
Next \$500,000	2.30%
Next \$1,000,000	2.15%
Over \$2,000,000	2.00%

- Cantella Diversified Global

Account Asset Value	Annualized Fee
First \$500,000	2.50%
Next \$500,000	2.30%
Next \$1,000,000	2.15%
Over \$2,000,000	1.95%

Cantella Leveraged US Opportunities: Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. The fee will be payable monthly in advance. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement.

In the case of the Cantella Leveraged US Opportunities Advisory Account's, advisory fees paid are a combination of the IAR's fee and Cantella's Program Fee.

Standard fee schedule for Cantella Leveraged US Opportunities Advisory Accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Investment Advisory Client Agreement.

Account Asset Value	Annualized Fee
Billable assets	1.75%

Pilot Offering within “CAM”: Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. The fee will be payable monthly in advance. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month’s end value.

Account Asset Value	Annual Advisory Fee (including program fee)
First \$100,000	
Next \$400,000	
Next \$500,000	
Over \$1,000,000	

The annual advisor fee will be disclosed on the Cantella Investment Advisory Agreement.

Assets invested in the following Strategists are subject to additional fees as follows:

Cantella US Leveraged Opportunities	.25%
Cantella Tactical US Equity	.30%

The total fee will be the sum of the Annual Advisory Fee and any Strategist Fee, if applicable.

Cantella Classic Platinum : Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Classic Platinum Investment Advisory Agreement. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month’s end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month’s statement. Clients are subject to a purchase and handling fee on certain transactions.

Standard fee schedule for Cantella Classic Platinum accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Platinum Investment Advisory Client Agreement.

Account Asset Value	Annualized Fee
First \$500,000	2.25%
Next \$500,000	2.00%
Over \$1,000,000	1.75%

- **Retirement Plan Accounts Program**: Clients will compensate Cantella for investment advisory services as determined by the fee schedule located in the Agreement.
 - Plans custodied at NFS and Pershing: Plan will compensate IAR for services on an annual fee basis at the rate set forth in the Fee Schedule. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month’s end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month’s statement. Cash balances will be held in a money market fund. IAR can provide Plan with list of all available money market funds. Investment Advisor is authorized to deduct from the Plan’s account any

fee owed to the IAR pursuant to the terms of the Agreement. All fees paid will be reported on the account statement.

- Plans Custodied at Raymond James: Plan will compensate IAR an asset-based Advisory Fee for investment advisory services on an annual fee basis at the rate set forth in the Fee Schedule. The fee will be payable quarterly in advance. When an account is opened, the Advisory Fee is billed for the remainder of the current billing period and is based on the initial contribution. The initial payment will become due in full on the date of inception. Subsequent quarterly fees will be calculated based upon the Account Value on the last business day of the previous calendar quarter and will become due the following business day. No fee adjustments will be made because of withdrawals made by Plan during the period. Cash reserve balances will be included in the open-end mutual fund section for billing purposes. Cash reserve balances which exceed 20% of the Account Value at the time of billing will be included for fee purposes only if such balances did not exceed 20% of the Account Value at the end of the previous quarter. Otherwise, the balance in excess of 20% will not be included in the Account Value for fee purposes, making such monies exempt from Advisor’s fee. Cash balances will be held in one of the following accounts: Eagle Cash Trust, Eagle Municipal Money Market, Client Interest Program (“CIP”) or Raymond James Bank. Investment Advisor is authorized to deduct from the Plan’s account any fee owed to the IAR pursuant to the terms of the Agreement. All fees paid will be reported on the account statement.
- Plans custodied directly with a mutual fund, annuity company or some other circumstance, IAR will default to their fee billing methodology which will be outlined in their ADV Part 2A.
- Pershing Advisory Solutions Accounts: Clients will compensate Cantella for investment advisory services on an annual fee basis at the rate set forth in the Investment Advisory Client Agreement. This fee will be payable monthly in advance. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month’s end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month.

Pershing Advisory Solutions	
Account Asset Value	Annualized Fee
First \$100,000	2.50%
Next \$400,000	2.00%
Next \$500,000	1.50%
Over \$1,000,000	1.25%

Standard fee schedule for accounts where client’s request transaction based pricing: Advisory fees are negotiable.

- Opportunity Accounts: Clients will compensate Cantella for investment advisory services on an annual fee basis at the rate set forth in the Opportunity Fee Agreement. The fee will be payable quarterly in advance. New accounts opened during the first or second month of the quarter are billed initially for the days from inception to the end of the quarter based on the inception value. New accounts opened during the last month of the quarter are billed

initially for the days from inception to the end of the month, plus the next full quarter based on the inception value. The initial quarterly payment will become due in full on the date the account is accepted and will be based on the account asset value as of the date.

Subsequent quarterly fees will be calculated based upon the market value of client’s Opportunity Fee Investments on the last business day of the previous calendar quarter and will become due the following business day.

Standard fee schedule for Opportunity accounts: Fees are negotiable. Any adjustments made to the fee schedule need to be written in the fee schedule of the Opportunity Client Agreement.

Asset Based Fee Schedule	
Fee Based Relationship Value	Annualized Fee
Up to \$1,000,000	2.25%
\$1,000,000 up to \$2,000,000	2.00%
\$2,000,000 up to \$5,000,000	1.75%
\$5,000,000 up to \$10,000,000	1.50%
\$10,000,000 and up	1.25%

- Ambassador Accounts: Client will pay Cantella an asset-based Advisory Fee for investment advisory services at the rate set forth in the Ambassador Agreement. The Advisory Fee will be payable quarterly in advance. When the account is opened, the fee is billed for the remainder of the current billing period and is based on the initial contribution. The initial payment will become due in full on the date of inception.

Subsequent quarterly fees will be calculated based on the account value as of the last business day of the previous calendar quarter and will become due the following business day. The Advisory Fee includes all execution charges except: (1) certain dealer-markups and odd lot differentials, taxes, exchange fees and any other charges imposed by law with regard to any transactions in the account; and (2) offering concessions and related fees for purchases of public offerings of securities as more fully disclosed in the prospectus. Client may also incur charges for other services provided that are not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees or legal or courtesy transfers of securities.

Standard fee schedule for Ambassador Accounts: Fees are negotiable. Any adjustments made to the fee schedule need to be written in the fee schedule of the Opportunity Client Agreement.

Asset Based Fee Schedule	
Fee Based Relationship Value	Annualized Fee
Up to \$1,000,000	2.25%
\$1,000,000 up to \$2,000,000	2.00%
\$2,000,000 up to \$5,000,000	1.75%
\$5,000,000 up to \$10,000,000	1.50%
\$10,000,000 and up	1.25%

- Sub-Advisors: Sub-Advisor fees are payable in accordance with the Form ADV Part 2 or other equivalent disclosure document of each sub-advisor to whom the IAR selects and may or may

not be negotiable, as disclosed in the disclosure documents of the sub-advisor(s). Clients will be provided with the sub-advisor's ADV Part 2.

- Managed Account Command: Please refer to Appendix 1
- Managed Account Solutions: Please refer to Appendix 2
- Cantella Asset Management: Please refer to Appendix 3
- Third Party Wrap Programs: IARs typically have their client complete a financial questionnaire and discuss the client's investment goals and objectives to begin the manager selection process. IARs then work with the Sponsor to determine which investment manager(s) meet the client's investment criteria.

B. There are a number of factors that determine whether fees are deducted from client assets or billed to clients for fees incurred. For most advisory accounts, fees are deducted from client account(s) unless other arrangements are made. Additionally, some of the programs offered through Cantella using sub-advisors, separate account managers, and third party money managers won't allow for clients to be billed for services provide. Accounts are charged an annual fee paid monthly. With respect to financial planning, clients will be billed for the services provided. Most advisory accounts are charged an annual fee that is paid monthly in advance. The exception is the Strategic Advisors Mutual Fund Portfolio Program offered through the MAS program which bills in arrears.

C. From time to time, clients may incur additional costs associated with advisory services offered through Cantella. Any of these costs may be specific to the clearing/custody firm where client assets are held. Additionally, certain investment options may have built in costs separate from fees charged for advisory services.

- Mutual fund expenses: For clients with mutual fund investments, the fees paid for investment advisory services are separate and distinct from the fees charged by mutual funds to their shareholders. These fees and expenses are described in the Prospectus of each mutual fund. Clients investing directly with a fund would not receive the services of Cantella which are designed to assist the client in determining which mutual fund or funds are most appropriate to meet a client's financial goals and objectives.
- Cantella Classic Gold Accounts: Clients with Classic Gold accounts are responsible for paying ticket charges on trades that occur in their account(s) as described below. Clients will incur a charge for postage and handling. Clients may also incur charges for other account services provided by Cantella through Cantella not directly related to the execution and clearing of transactions, including but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Schedule of Charges for Execution and Clearing of Transactions:

Security Type	Processing Fee
Stocks: Listed and Electronically Traded Funds	\$29.95 plus \$.015 per share for all listed trades over 2,500 shares
Stocks: OTC	\$29.95
Mutual Funds* and Unit Investment Trusts	\$29.95
Options	\$50.00 plus additional \$1.50 per contract for orders in excess of 20 contracts

Bonds: Government, Corporate, Municipal, Mortgage Backed	\$50
Non-Publicly Traded Limited Partnerships	\$50
Limited Partnership Re-registration Fee	\$125
Non-Marketable Securities	\$50
Foreign Securities	\$90

- Cantella Tactical Advisory Accounts and Cantella Leveraged US Opportunities Accounts: Clients with Tactical accounts will pay one fee that includes the advisory fee, program fee as well as any transaction charges. Client may also incur charges for other account services provided by Cantella through Cantella not directly related to the execution and clearing of transactions including, but limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.
- Cantella Classic Platinum In Classic Platinum Accounts, clients pay one fee that includes the advisory fee as well as any transaction charges. Clients will incur a charge for postage and handling at both NFS and Pershing. Client may also incur charges for other account services not directly related to the execution and clearing of transactions, including but not limited to, statement/confirmation fees, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities. Any fees assessed will be reflected on account statements.
- Retirement Plan Accounts Program (Qualified Plan Account Program): In Retirement Plan Accounts held at NFS and Pershing and Raymond James, clients pay one fee that includes the advisory fee as well as any transactions charges. In Retirement Plan Accounts held at Pershing Advisory Solutions, clients will pay for transaction charges. Clients may incur a charge for postage and handling. Client may also incur charges for other account services not directly related to the execution and clearing of transactions, including but not limited to, statement/confirmation fees and safekeeping fees. Any fees assessed will be reflected on account statements. For accounts held directly with a mutual fund, annuity company or some other circumstances, clients should refer to the ADV Part 2A to identify any additional charges that the Plan may be subject to.
- Opportunity Accounts: In Opportunity accounts, clients are responsible for paying an advisory fee as well as any transaction fees associated with the execution of trades in their account(s). Clients will also incur a charge per transaction for postage and handling.

Transaction Fee Schedule

Security Type	Transaction Fee
Stocks: Listed and OTC	\$9.95
Closed End Mutual Funds	\$9.950
Mutual Funds(applicable to purchases only)*	
Participating Funds	Waived
Partner Funds	\$30.00
Non-Partner Funds	\$40.00
Unit Investment Trust/Real Estate Investment Trust	\$9.95
Preferred Stocks	\$9.95
Options	\$30.00

Bonds: Government, Corporate, Municipal, & Mortgage Backed	\$30.00
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*Select fund companies have agreed to pay RJ administrative fees in consideration for RJ's waiver of the above \$30.00 Processing Fee on certain mutual fund purchase ("Participating Funds").

Clients may also incur charges for other account services provided by Cantella through Cantella not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

- Ambassador Accounts: In Ambassador accounts clients pay one fee that includes the advisory fee as well as any transaction charges and postage and handling fees. Clients may also incur charges for other account services provided by Cantella through Cantella not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.
- Sub-Advisor and Third Party Wrap Program Accounts: Client may incur charges for other account services through these programs. These fees, not directly related to the execution and clearing of transactions, may include but are not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

For a complete list of fees you may visit www.cantella.com where the information is available under the Investors/Disclosure Information link. You may also contact your advisor or Cantella directly by calling 800-652-8358 or email at compliance@cantella.com.

- D. In general clients do not have the ability to choose whether their advisory fees are payable in advance or in arrears. Currently all of the advisory services offered through IARs to clients are set up for advance billing.

Cantella Classic Gold Accounts, Cantella Tactical Advisory Accounts, Cantella Leveraged US Opportunities Advisory Accounts, Client Accounts participation in our pilot offering through CAM and Cantella Classic Platinum and Qualified Plan Account Program : Clients are entitled to terminate their participation in the above programs within five business days of signing the client agreement and will receive a refund of all advisory fees. Clients may also terminate advisory contracts at any time providing 30 days written notice. Fees earned by the IAR will be paid upon termination, with a refund of any unearned fees pro rata to the time period involved. Any client funds that are added or withdrawn from an account(s) will be accounted for during the following quarter's billings.

Retirement Plan Accounts Program: For accounts custodied at NFS, Pershing or Raymond James in the event of termination of the Agreement, Cantella will refund to the Plan the prorated portion of the fee for the month of termination provided that this Agreement has been in effect for a minimum of 90 days. Should this Agreement be terminated by the Plan prior to 90 days from the date of inception the Plan fee will not be prorated. Instead the initial monthly fee will be utilized to cover set up and transaction expenses. All fees due under the Agreement at termination will be deducted from the Plan's account before assets are delivered from the account. The Plan has 5 business days to terminate the Agreement without incurring any expenses.

For Plans custodied directly with a mutual fund, annuity company or some other circumstances the IAR will default to their calculation of termination fee methodology which will be outlined in their ADV Part 2A.

Managed Account Command Accounts and Managed Account Solutions Accounts: In the event of termination, the client will be refunded the prorated portion of the fee for the quarter of termination. With respect to the MAS Strategic Advisors Mutual Fund Portfolio Program and client terminations fees will be collected upon receipt of the termination request for the portion of the fee earned over the period of time services were provided.

Opportunity Accounts: There will be no refund of advisory fees previously paid with respect to withdrawals of cash and/or securities unless an account is cancelled. In the event of termination of an Opportunity account, client will be refunded the prorated portion of the fee for the quarter of termination.

Ambassador Accounts: If cash or securities, or a combination thereof, amounting to at least \$100,000 are withdrawn from an account on an individual business day in the first two months of the quarter a refund of prepaid asset-based fees based on the value of the assets on the date of withdrawal will be processed. No additional adjustments to previously assessed asset-based fees will be made in connection with withdrawals that occur during the last month of the quarter unless request by the client.

Third Party Wrap Programs: Clients are encouraged to review the particular third party money manager's ADV 2 and fee agreements to determine if fees are billable in advance or in arrears. If the fees are charged in advance, the manager will disclose their policy on reimbursements caused by termination or withdrawals for accounts.

- E. In addition to being an SEC RIA, Cantella & Co., Inc. is a Financial Industry Regulatory Authority ("FINRA") registered broker/dealer providing services related to the purchase and sale of securities of which investment advisory services are only a part of this business. As a registered broker/dealer, Cantella may receive compensation for clearance and execution services, as well as payment for order flow and certain balances in accounts (e.g. 12b-1 fees). Except for accounts held at Raymond James and the following pre-fix accounts (QM8, QX5, C8S, RHT, EDG, QM7, AY3, AYK), Cantella will pass along any 12b-1 fees to IARs.

IARs of Cantella do not receive commissions for trades occurring in client advisory accounts. Any fees associated with transactions are either retained by the custody/clearing firm or Cantella. In the event a security is purchased that causes a client to pay a sales charge, the security will be excluded from billing while held in the client account.

There is potentially a conflict of interest with respect to IARs receiving 12b-1 fees in addition to the IAR fees paid by clients. This conflict may influence IARs to recommend mutual funds with these fees over funds that do not.

Clients may have the option to purchase investment products that are recommended to them by Cantella IARs through other IARs not affiliated with Cantella.

Cantella IARs are also Cantella Registered Representatives. When trading in an advisory account clients do not incur commissions. Commissions are charged in brokerage accounts established by Cantella registered representatives.

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

Cantella does not currently offer performance based fees as an option for clients with respect to paying fees for advisory services.

Item 7: Types of Clients

Cantella generally provides advisory services to the following types of clients: individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, state or municipal government entities and corporations or business entities other than those previously listed.

To review account minimums please refer to Item 1 Advisory Services. Cantella can increase or decrease account minimums at its discretion.

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

A. IARs of Cantella use a variety of analysis methods, investment strategies and risk of loss when managing client assets.

- Methods of analysis:
 - Charting: The graphing of market variables, especially of stock prices and market averages. IARs may also chart other variables including commodity prices, interest rates, and trading volume in an attempt to determine trends and project future values.
 - Fundamental: Analysis of security values grounded in basic factors such as earnings, balance sheet variables, and management quality. Attempts to determine the true value of a security, and, if the market price of the stock deviates from this value, to take advantage of the difference by acquiring or selling the stock. This analysis may involve investigating a firm's financial statements, visiting its managers, or examining how a particular industry is affected by changes in the economy.
 - Tactical Analysis: The practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis does not attempt to determine the intrinsic value of securities, but instead focuses on matters such as trade volume, demand, and volatility.
 - Cyclical Analysis: The practice of analyzing business cycles with the goal of finding advantageous times to buy or sell a security.

Through the current pilot offering, Cantella and its IARs utilize risk profiling to monitor and manage a portfolio's level of investment risk and to assist in identifying a client's Risk Profile.

Through the existing and pilot offering within CAM, clients have access to Strategists. Cantella permits Strategists to utilize their own methods of analysis. When conducting due diligence on Strategists, Cantella reviews key characteristics, such as historical performance, consistency of returns, risk level, expenses, amongst others. Cantella makes information about the qualifications, investment philosophies, policies and performance of Strategists available to IARs and clients.

- Investment Strategies:
 - Long-term purchases: This strategy generally involves holding a security for at least a year and potentially longer.
 - Short term purchases: This strategy generally involves holding a security for less than a year.

- Trading: This strategy generally involves selling securities within 30 days of purchasing.
- Short sales: This strategy usually, but not always, involves the sale of securities that are not owned by the seller in anticipation of profiting from a decline in the price of the securities.
- Margin transactions: This strategy involves using one's current holdings as collateral to buy additional securities. Clients must complete specific paperwork to allow for such trading to occur in their account(s).
- Option writing, including covered options, uncovered options or spreading strategies: Writing an option refers to the act of selling an option. An option is the right, but not obligation, to buy or sell a particular trading instrument at a specified price, on or before its expiration. When someone writes an option, they must deliver to the buyer a specified number of shares if the option is exercised. The writer has an obligation to perform a duty while the buyer has the option to take action. In the case of writing covered options the writer owns the security in advance of having to deliver should the buyer exercise the option. In the case of writing an uncovered option the seller does not own the security and would be subject to additional market risk should the option be executed. Spread strategies involve multiple options trading. Clients must complete additional documents in order to qualify for option trading.

Investing in securities involves risk of loss that clients should be prepared to bear.

- B. Each investment strategy utilized by Cantella IARs contains inherent risks. The IAR works to mitigate those risks through sound due diligence into the securities used in building client portfolios.
1. Risks associate with investment strategies
 - Long term purchases: General risk involved is opportunity risk. Opportunity risk is where by investing in one security you lose the potential to invest in something that may perform better in a shorter period.
 - Short term purchases: When utilizing short term purchasing as a strategy the risk is that one may miss out on the long-term performance of a security. Additionally, there may be additional costs involved with this strategy that may hurt overall performance of the client portfolio.
 - Trading: Frequent trading may impact a portfolio's performance through increased costs associated with the amount of activity occurring in the client account.
 - Margin transactions: The major risks involving the use of margin transactions include market and interest rate risks. There are specific margin requirements set by the Federal Reserve and custodian. Generally, clients with approved margin can use 50% of their holdings. Clients must then maintain a maintenance margin. This is a percentage of the current market value of the securities in the account. If this percentage falls below 25%, clients will be required to either deposit additional funds or sell off securities to meet the requirement. The interest rate risk comes into play on the funds being borrowed. If interest rates increase, so will the cost associated with borrowing the funds to make the additional purchases. In the event a client does not meet their margin requirements, firms can sell off securities without contacting the client.
 - Trading options: Market risk is the primary risk associated with trading options. The most conservative strategy for options trading is writing covered option. The reason it is more conservative than others is that the writer of the call already owns the

security. Whereas with an uncovered option, the writer of the option would have to buy the security at whatever the security is selling for in the current market.

- C. In the course of providing investment advice, the IAR may address investment advisory issues affecting many types of assets, which may be owned by the client. These assets may include equities, warrants, corporate debt, commercial paper, certificates of deposit, municipal securities, investment company securities, United States government securities, securities options contracts, and interest in partnerships (investing in: real estate, oil and gas interests). Additional investment options may include equipment leasing partnerships, collectibles, privately held business, real estate, and tangible personal property. IARs may also assist clients in selecting investment managers from various managed account programs to manage their assets.

Generally, the security most used by Cantella IARs is individual equities. The primary risks involved with owning individual securities include the following:

- Market Risk: This is the risk that the stock owned will rise and fall with the market regardless of the company's fundamentals.
- Company Specific Risk: This is the risk associated with the specific company being owned. An example would be Enron. When Enron went under it had nothing to do with the stock market, it was the result of accounting improprieties at the company. Diversification can help to reduce the company specific risk of ones portfolio by owning multiple companies.
- Sector Risk: This risk is associated with a specific sector within the market. For example, when the economy is hurting consumers generally begin to save and spend less on certain products or services. This may impact the entertainment industry for example as people are more frugal with their money.

Item 9: Disciplinary Information

- A. Neither Cantella, nor any management persons, has had any criminal actions brought against them. Cantella, nor any management persons, has had any material civil actions brought against them.
- B. In December 2014, F-Squared Investments admitted it violated federal securities laws related to inaccurate performance reporting between April 2001 and September 2008. F-Squared provided signals for the Cantella Tactical program between October 2012 and May 2015. Cantella provided F-Squared's inaccurate information to certain clients and prospects without knowing it was incorrect. The SEC has found that Cantella did not perform sufficient steps or obtain sufficient documents to determine the accuracy of F-Squared's past performance. Without admitting or denying the SEC's findings, Cantella agreed to cease and desist from committing or causing any violations and future violations of Sections 204(a) and 206(4) of the Advisers Act and Rules 204-2(a)(16) and 206(4)-1(a)(5). Cantella also agreed to pay a civil monetary penalty of one hundred thousand dollars.
- C. Neither Cantella, nor any management persons, has had any material proceedings before a self-regulatory organization.

Individuals can view all Cantella & Co., Inc. disclosures at www.adviserinfo.sec.gov.

Item 10: Other Financial Industry Activities and Affiliations

- A. Cantella is currently registered with FINRA as a broker/dealer whose CRD # is 13905.

- B. Neither Cantella nor any of its management personnel are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading IAR, or an associate person of the foregoing entities.
- C. Cantella may have management personnel or related persons that are involved in other financial industry activities and affiliations. Cantella IARs are dually registered as Registered Representatives and must disclose this to clients as it is a potential a conflict of interest. Cantella provides traditional insurance services through its affiliated entity, Cantella Insurance Agency. Currently a number of IARs are licensed to sell insurance to clients and utilizing this entity. Cantella also has IARs that may be accountants or lawyers. Cantella has several relationships with Outside RIAs. These firms use Cantella to provide broker/dealer services. Outside RIAs may also act as the money manager for Cantella client's through their IARs.

Each IAR is required to disclose if he/she participates in any outside business activities, whether financial industry activities or not. In reviewing outside activity requests, Cantella will determine if there is a conflict of interest and ultimately approve or deny the activity. Approved outside activities will be disclosed on the IARs supplemental brochure. Clients can also review any IARs outside activity through www.FINRA.org in the broker check portion of the website.

- D. Cantella and its IARs from time to time may recommend or select other investment advisors for client accounts. Cantella receives compensation directly through advisory fees charged to clients. When utilizing these programs, IARs may act as a solicitor and are often paid a solicitors or finder's fee.

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

- A. Cantella has adopted a Code of Ethics governing the conduct of its employees. Cantella monitors securities transactions of its employees. The Code of Ethics sets forth standards of conduct and addresses potential conflicts of interest among Cantella IARs. Sheelagh Howett is the Chief Compliance Officer of Cantella. The firm's Code of Ethics is available to clients or prospective clients on www.cantella.com or they may request a copy by calling Cantella's Compliance Department at 800-333-3502 or they may email their request to compliance@cantella.com.
- B. Cantella may act as principal in purchasing from or selling securities to customers. Bond traders often receive compensation for facilitating these types of bond transactions. Cantella may also engage in "agency cross transactions" (transactions in which we act as agent for both sides of the trade, usually involving a commission charge being paid by both parties). There is a potential for a conflict of interest in such transactions or potential for divided loyalties. These transactions will only be affected if deemed beneficial to both parties to the trade.

Cantella offers through its IARs Cantella Tactical Advisory Accounts and Cantella Leveraged US Opportunities Advisory Accounts. There is a conflict of interest in that Cantella, in addition to being the Broker/Dealer of record and Registered Investment Advisor, will also manage these accounts. Cantella mitigates this conflict by reviewing the new account application to determine if clients are suitable for the program. In addition, these offerings have minimum asset level requirements in order to establish new accounts. This will reduce the number of potential clients investing in the program. Additionally, the Tactical Accounts are designed for clients with an investment objective and goal of upside market capture and downside protection. In other words, the goal of the program is to participate when the markets are positive while protecting client assets when the markets are

negative. The Cantella Leveraged US Opportunities strategy is designed for clients looking for an aggressive strategy with allocation ranges between US stocks, bonds and cash utilizing ETFs and cash.

- C. Cantella and/or related persons and affiliates may buy or sell for itself/themselves securities, which are also recommended to clients. All transactions are within FINRA guidelines. Such trades occasionally occur to facilitate the needs of the client. All accounts of Cantella or related persons are periodically reviewed by our Compliance Department for analysis of potential conflicts of interest and to satisfy all regulatory requirements.

Item 12: Brokerage Practices

- A. Cantella IARs are also Registered Representatives of Cantella, acting in the capacity of Registered Representatives. Based on this relationship, IARs that open advisory accounts will do so through Cantella as broker/dealer, utilizing one of the custodian's the firm has entered into agreements to provide custody and clearing. Clients are not required to open their accounts through Cantella. However, in this case, the Cantella IAR would not be able to service the account. The agreements in which Cantella has established include NFS, Raymond James, and Pershing. Cantella continuously works with these firms to ensure best execution for client accounts.
1. Research and Other Soft Dollar Benefits: Cantella only receives services offered through their selected clearing firms per their agreement. This generally includes economic, stock, mutual fund, and fixed income research.
 - Cantella does not utilize commissions to obtain additional research.
 - Each IAR working with his/her client can select where to custody client assets. Generally, an IAR will select one of the clearing options to manage their client accounts. There is no execution benefit from selecting one clearing firm over another.
 - The type of advisory account opened by a client will determine if transaction charges are incurred as well as what those costs would be. Clients may or may not be able to achieve similar trades at less cost.
 - Cantella has not entered into any soft dollar agreements. If in the future such an agreement is signed Cantella will disclose this fact and how it would impact clients.
 - As stated above Cantella and its IARs do not receive any products or services as part of the commissions charged to clients.
 - Cantella IARs only direct clients to the broker/dealer in which they are also registered representatives. As stated clients are not required to establish accounts with Cantella as broker dealer. If a client chooses a broker dealer other than Cantella they would have service the account on their own or hire a representative from that broker dealer.
 2. Brokerage for Client Referrals: Cantella IARs do not consider, in selecting broker/dealers, whether you or a related person receives client referrals from a broker/dealer or third party.
 3. Direct Brokerage:
 - As previously disclosed Cantella IARs are dually registered through Cantella as registered representatives. As registered representatives, any brokerage account is to be opened through Cantella as broker/dealer. Additionally, as an IAR all accounts are opened through Cantella as broker/dealer. Although clients have the choice to direct brokerage, it may or may not always be in their best interest. By directing brokerage away from Cantella a client may be unable to achieve most favorable execution in

transactions. This may cost clients more to trade their account. Additionally, if the client directs brokerage away from Cantella the Cantella IAR may not be able to service the client account.

- In the cases where a client directs brokerage the costs associated may be higher due to the potential inability to aggregate orders to reduce transactions costs. Additionally, if the client is paying the IAR a fee plus directing brokerage the total costs would be higher rather than opening the account through Cantella.
- B. Under appropriate circumstances, we may aggregate transactions for a number of advisory clients at the same time for execution purposes. This practice will not ordinarily affect or otherwise reduce commissions or other costs incurred. Aggregated securities may be allocated among advisory clients and their respective accounts on a pro rata basis depending upon the size of the transaction or some other equitable procedure adopted. In any case, trade allocation procedures may result in certain clients paying higher or lower prices for securities than may otherwise have been obtained. If, however, a security is trading in a very volatile fashion or the market is “fast”, it may be in the best interests of all parties to aggregate trades in order to obtain a timely and favorable execution.

Item 13: Review of Accounts

- A. Financial plans are reviewed as they are submitted to the home office for approval. Since each plan may vary in scope and services needed the reviewer will identify that all required paperwork has been submitted for each client plan. The reviewer will then make sure that the overall plan is in good order and approve for payment to the IAR. In the event, there is an issue with the required paperwork and or content of plan the reviewer will work with the IAR to resolve any issues. Advisory accounts are reviewed in a number of ways. Accounts are initially reviewed prior to the account being established. Accounts are further subject to a 90-day review for suitability. Compliance also monitors on a regular basis the amount of trades occurring in advisory accounts, fees being paid by clients, large cash positions as well as concentrated positions. The individuals that may conduct these reviews are Compliance Officers and may include the CCO.
- B. Compliance will additionally review all trades conducted by Cantella IARs, on a daily basis.
- C. Cantella does not generate performance reports for clients. Clients receive statements from the custodian that holds their account(s). If a client has activity in their account, they will receive a statement for that month. Minimally clients will receive quarterly statements if there is no activity. Statements from the custodian will show account holdings and any transactions over the period being reported on. In certain cases, the IAR may produce performance reports. Cantella requires these to be approved prior to being delivered to clients.

Item 14: Client Referrals and Other Compensation

- A. Cantella may enter into agreements with its registered representatives or with Outside RIAs whereby the representative via their Outside RIA may act as solicitor for investment advisory services provided by Cantella or third parties. Cantella may receive a portion of advisory fees charged to clients in exchange for referrals and other services. Pursuant to such arrangements (which are disclosed in advance of a client agreement) the IAR arranges for the delivery of ADV Part 2 and brochures or other related material relative to advisory services to be provided to the client through the solicitor. Referral of Clients in exchange for a portion of advisory fees or other services may constitute a conflict of interest.
- B. Cantella may enter into a written agreement with a non-supervised person to provide client referrals. Cantella at its discretion may accept referrals from persons referred to as Solicitors. All Solicitors are required to enter into a written agreement with Cantella that requires the Solicitor to deliver our

Form ADV Part 2A and a separate disclosure document relating to the Solicitor's relationship with Cantella to each potential client. Payments to Solicitors are based on the Solicitation Agreement between Cantella and the Solicitor. Payments will be based on the advisory fee paid by the client(s). A client referred to Cantella by a Solicitor will not pay a higher advisory fee as a result of the referral.

Item 15: Custody

Custody is defined as any legal or actual ability by our firm to access client funds or securities. All client funds and securities are held with one or more "qualified custodians." However, although our firm does not take actual possession of client funds or securities, we are deemed to have constructive custody of certain client accounts and funds under current SEC interpretation and guidance. Clients with advisory accounts receive account statements from the custodian that holds their assets. Clients should review their statements carefully and contact their Financial Advisor or Cantella's compliance department with any questions.

Item 16: Investment Discretion

Clients may give their IAR limited discretionary authority to effect transactions within an account. This would give the IAR the full discretion, power, and authority to sell (including short sales), purchase, exchange, convert, tender, trade or otherwise acquire or dispose of stocks, bonds, and any other securities including the purchase and/or sale of option contracts (exchange traded or over-the-counter, puts, calls, etc.) to open new option positions or close existing positions, to exercise option contracts and to sell option contracts as either a covered or uncovered writer, and/or contracts relating to the same on margin or otherwise in accordance with the terms and conditions of the client's account. As previously discussed the ability to trade options or use margin require additional documentation to be completed by the client. The use of discretion by an IAR will be in unison with the client's risk tolerance, investment objectives, and time horizon.

When utilizing certain advisory services such as third-party money managers or separate account managers the IARs discretion will involve the selection of money manager(s) for their account(s). In these situations, the IAR will not be making the buy/sell decisions for the account(s).

Item 17: Voting Client Securities

- A. Cantella and its IARs do not currently vote client securities.
- B. Clients will receive proxies and other solicitations directly from your custodian or a transfer agent. If clients have questions about any proxy or solicitation they should contact their IAR.

Item 18: Financial Information

- A. Cantella does not require prepayment of fees six month or more in advance.
- B. Cantella, through its IARs, may have discretionary authority over client account. There are no financial conditions that are likely to impair Cantella's ability to meet its contractual commitments to clients.
- C. Cantella has not been the subject of a bankruptcy petition.

Appendix 1 - Managed Account Command Wrap Fee Program Brochure

28 State Street, 40th Floor ~ Boston, MA 02109 ~ (800) 333-3502 ~ www.cantella.com

Cantella & Co., Inc. (“Cantella”) is a nationally registered broker/dealer and SEC Registered RIA located in the Financial District in Boston. We are service professionals helping financial professionals provide for client financial needs which may include financial planning, retirement planning, children’s education planning, investment management, and managing taxes efficiently. Our experienced financial advisors utilize a vast array of wealth management tools to help individuals, families, and business owners develop investment portfolios and strategies to meet their financial goals and objectives.

This brochure provides information about the qualifications and business practices of Cantella. If you have any questions about the contents of this brochure, please contact Cantella at (800) 333-3502 or by email via compliance@cantella.com.

The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Being registered does not imply a certain level of skill or training.

Additional information about Cantella also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Below you will find any material changes since the last update in April 2016.

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Item 4: Services, Fees and Compensation

- A. Cantella provides investment management and investment advisory services through a through the Managed Account Command Program (“Account Command”) available from Lockwood Advisors, Inc. (“LA”) for the following programs: separately managed accounts, LAAP, LIS, and AdvisorFlex.

Cantella, as sponsor, provides its clients with an extensive range of investment advisory services through Account Command as well as individually managed accounts where Cantella has enlisted third parties, including LA and MBSC Securities Corp (“MBSC”), to provide certain products and services. Neither LA nor-MBSC is affiliated with Cantella although jointly providing services, as applicable, in connection with Account Command. The services provided by Cantella include:

- Assessment of the client’s investment needs and objectives;
- Development of an asset allocation strategy designed to help clients achieve their objectives;
- Recommendations on suitable style allocations;
- Identification of appropriate Managers and investment vehicles suitable given the client’s goals;
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria;
- Engagement of selected asset managers and investment vehicles on behalf of the client;
- Ongoing monitoring of individual manager’s performance and management;
- Review of client accounts to ensure adherence to policy guidelines and asset allocation;
- Recommendations for account rebalancing, if necessary;
- Online and paper reporting of client account(s) performance and progress; and
- Fully integrated back office support systems to advisors, including custody, trade execution, and confirmation and statement generation, through Pershing.

Cantella will provide client, by and through an IAR, upon acceptance of client’s account, some or all of the above referenced investment advisory services. Though all of the above referenced services may be offered, client may select one or more of the services. Cantella does not require the client to utilize all services offered.

Investment Options:

- Separately Managed Account Solutions (SMA): Traditional Separately Managed Account product offering more than 50 managers covering a variety of investment styles/options.
- Lockwood Asset Allocation Portfolios (LAAP): A discretionary, multi-discipline managed account product. As the portfolio manager, LA determines the asset allocation strategy and selects investment vehicles for each investment style component of LAAP based on its proprietary models. These models may consist of open and closed end mutual funds, exchange-traded funds, exchange-traded notes and other securities as determined by LA.
- Lockwood Investment Strategies (LIS): A discretionary, multi-discipline unified managed account product housed in a single account currently with five core models. The LIS models span the risk/return spectrum, from current income to growth, within the context of a diversified portfolio. As portfolio manager, LA determines the asset allocation strategy and selects both sub-advisors and/or specific investment vehicles for each investment-style component based on the firm’s proprietary modeling strategies, as

well as its macroeconomic outlook and investment discipline. These models may consist of individual securities, mutual funds, exchange-traded funds, exchange-traded notes, and other securities as determined by LCM at its sole discretion.

- AdvisorFlex Portfolios (AFP): Currently, AFP includes three objective based strategies, Appreciation, Income, and Preservation (the “Strategies”), with multiple models within each strategy as described below. AFP consists of sixteen models/asset allocation strategies (“Models”).
 - Appreciation Strategy: The goal of the Appreciation Strategy is to provide long-term level of returns associated with equity and fixed income asset classes, while seeking above average risk-adjusted levels of appreciation. The Appreciation Strategy Models, representing various levels of expected risk and return are:
 - Appreciation Model I
 - Appreciation Model II
 - Appreciation Model III
 - Appreciation Model IV
 - Appreciation Model V
 - Appreciation Model VI

Model I is the most conservative Model and Model VI is the most aggressive. The underlying Appreciation Strategy Models seek to achieve their objectives through tilts toward asset classes with above average cumulative return potential, as well as asset classes that pay a premium to investors with a long-term time horizon.

- Preservation Strategy: The Preservation Strategy is designed to provide the long-term level of returns typically associated with equity and fixed income asset classes, while seeking downside protection and a lower level of long-term volatility, relative to respective standard capitalization-weighted indices. The Preservation Strategy Models, representing various levels of expected risk and return are:
 - Preservation Model I
 - Preservation Model II
 - Preservation Model III
 - Preservation Model IV
 - Preservation Model V

Model I is the most conservative and Model V is the most aggressive. The underlying Preservation Strategy Models seek to achieve their objectives through tilts toward non-cyclical economic sectors, higher quality securities, and alternative strategies that may alter the risk characteristics of the portfolio.

- Income Strategy: The Income Strategy is designed to provide an above average level of yield while maintaining a diversified portfolio. The Income Strategy Models, representing various levels of expected risk and return are:
 - Income Model I
 - Income Model II
 - Income Model III
 - Income Model IV
 - Income Model V

Model I is the most conservative and Model V is the most aggressive. The underlying Income Strategy Models seek to achieve their objectives through the use of numerous asset classes which may include high dividend yielding stocks, real estate investment trusts, master limited partnerships, closed-end funds, fixed income, and preferred securities.

The AdvisorFlex Models are intended to align with the different phases of the investor life cycle, from wealth accumulation, to transition into retirement and ultimately, the management and distribution of income. Each of the Models contains specific investment selections. Disclosures relating to the specific investment selections are contained herein and should be reviewed in detail by each client. The client and his/her IAR are responsible for selecting the appropriate Model for the client.

Standard AdvisorFlex Product:

In the first variation, Lockwood makes available through the Sponsor all sixteen Models and over 100 investment options to the IAR and his/her client. For each investment selection within a model, Lockwood identifies several options from which the client and his/her IAR may choose. Within each Model, there will be primary investment selections (“Primary Selections”) and alternate investment selections (“Alternative Selections”) from which the client and his/her IAR may choose.

At any time and in Lockwood’s sole discretion, Lockwood may reclassify a Primary Selection as an Alternate Selection. In such a case, existing accounts holding the Primary Selection may retain the Selection or affirmatively change to the new Primary Selection. In each instance, Lockwood will issue an “alert” to identify the new Primary Selection. In the event that a Primary Selection is eliminated from a Model altogether, all Accounts in the Model will default to the new Primary Selection. In the event that Lockwood removes one of the Alternate Selections, affected accounts will default to either the Primary Selection or another, available Alternate Selection, as determined by Lockwood.

In certain instances when a client selects both Primary Selections and Alternate Selections to complete a Model, the mixture of Primary Selections and Alternate Selections may result in changes to the weightings within an asset allocation.

Certain asset classes may contain only Primary Selections; Alternate Selections will not be made available in those cases, in Lockwood’s sole discretion.

Fees:

The standard maximum fee for the SMA Program and LIS program accounts is 2.5%. The standard maximum fee for the LAAP program is 2.25%. The standard maximum fee for the AdvisorFlex program is 2.0%. The standard maximum fee for the Select Program is 2.00%. The maximum fee includes the IAR’s fee plus any additional fees disclosed below in relation to the investment management of the client account(s). The IAR’s fees are negotiable and assessed on an individual basis according to different methods disclosed to and agreed upon in advance with the client via the Cantella Account Command Agreement (hereinafter referred to as “Agreement”). The fees charged take into account the complexity of the work performed, time involved, degree of responsibility of the IAR, special needs and characteristics of each client, types of investments, etc. The Program fees and Separately Managed Accounts fees are not negotiable.

Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent quarterly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement.

Cantella will deduct from the client's account any fee owed to IAR pursuant to the terms of the Agreement. All fees paid to the IAR will be reported to the client on their statements.

Fee Schedules:

SMA Asset Level	Program fee – Equities	Program fee – Fixed Income
First \$500K	.40%	.30%
Next \$500K	.39%	.23%
Next \$4 million	.37%	.20%
Over \$5,000,000 million	.33%	.17%

In addition to the program fee the portfolio managers participating in the Separately Managed Accounts Program charge a range of fees however, the fees generally fall within the following categories:

Equity disciplines: .40% to .50%

Fixed Income disciplines: .35% to .40%

International disciplines: .50% or more

AdvisorFlex Asset Level	Program Fee
First \$500K	.40%
Next \$500K	.35%
Over \$1 million	.25%

LAAP Asset Level	Program Fee
First \$500K	.40%
Next \$500K	.35%
Next \$4 million	.30%
Next \$5 million	.25%
Next \$10 million	.20%

LIS Asset Level	Program Fee
First \$500K	.75%
Next \$500K	.55%
Next \$4 million	.40%
Next \$5 million	.35%
Next \$10 million	.30%

- B. As the IAR is recommending a program in which they receive compensation, it is possible that the amount of compensation may be more than if the client participated in other programs or paid separately for investment advice, brokerage, and other services.

- C. The wrap fee will consist of all advisory fees, program fees, and transaction charges. There are certain fees that are not part of the wrap fee which may include but not limited to IRA custodial fees, safekeeping fees, interest charges on margin loans, wire fees, and fees for legal or courtesy transfers of securities. If an account holds any mutual funds the client will also incur the funds internal expenses. These expenses are part of the net asset value or price of the mutual fund owned. To view a funds internal expenses, clients should review its prospectus.
- D. Clients of the program will compensate the IAR for investment advisory services on an annual basis at the rate set forth in the Agreement. The fee will be payable quarterly in advance for all Account Command programs. The amount of this compensation may be more than what the IAR would receive if the client participated in Cantella's other programs, or
- paid separately for investment advice, brokerage, and other services. The IAR may have a financial incentive to recommend the wrap fee program over other programs and services. A portion of the annual IAR fee charged by the IAR is paid to Cantella for administration of the account.

Item 5: Account Requirements and Types of Clients

Clients participating in the programs are required to grant full discretion in investment authority to their IAR and Manager to invest, reinvest, sell, exchange, allocate and reallocate assets, and otherwise deal with program assets at their discretion.

Clients participating in the programs are required to authorize Cantella to designate Pershing LLC, an affiliate of the BNY Mellon to provide trade execution, trade clearing, and custodial services with respect to program assets.

The minimum account size to participate in the SMA Program is generally \$100,000, the AdvisorFlex and LAAP Programs are generally \$50,000 and the LIS Program is generally \$250,000. The minimum account size is subject to increase or decrease at the sponsor's discretion based upon the circumstances of each client, as well as the requirements of the Manager.

There are a number of ways a client can fund their account(s) in the program. However, certain offerings within the programs may enforce restrictions on what investments can be used to fund an account. Each of the programs will accept cash. Equity Managers will accept stocks they currently hold in their Strategy. They may allow additional stock holdings at their discretion. Bond Managers require any bond being transferred into a client account to be pre-approved by the Manager. Balanced Managers require any bond to be pre-approved in order to transfer into the client account. Additionally they may accept exchange listed stocks and ADRs. Once cash or securities are deposited into the client's account, the Manager will have discretion over the client assets.

There are certain ineligible assets that cannot be transferred into the client account. These include but are not limited to UITs, limited partnerships, insurance, and annuities.

IARs will work with clients in reviewing their current holdings to determine which program or Manager is most suitable to meet not only their investment objectives, time horizon and risk tolerance, but also what course to take with the current holdings.

Cantella generally provides advisory services to the following types of clients: individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities other than those previously listed. BNY Mellon Select accounts are for Non-ERISA accounts only.

Item 6: Portfolio Manager Selection and Evaluation

A. Cantella primarily utilizes information gathered by LA through LA's initial and ongoing research and due diligence process and currently delivered in a research report. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. The investment professionals at the investment management firms are a primary source of information, providing quantitative and qualitative information. LA attempts to verify certain information by comparing it to publicly available sources. In addition, LA employs several publicly available databases from independent sources. Before offering services provided by independent Managers to clients, Cantella reviews evaluations of these Managers and may request additional information from the Managers to evaluate the competence and experience of Managers before making available their services to clients. At least annually, Cantella will review any updates to this information to determine if the Manager is still suitable for Cantella clients.

Additionally, LA provides research report updates to Cantella for various Managers. These updates may include information such as persistent underperformance, inattention to style mandate, etc. Cantella will monitor and identify any situation which may warrant Cantella to cease offering the Manager's services to new clients, and recommend a replacement Manager(s) to existing clients. In these situations, Cantella will review each client situation based upon tax implications and other considerations involved in replacing the Manager and advise the client of options available in light of the circumstances.

The IAR and client will compile pertinent financial and demographic information to develop an investment strategy based on the client's needs, investment objectives, investment time horizon, risk tolerance and any other pertinent factors. The IAR will then make recommendations regarding which Manager(s) on the Account Command Platform fit with the client's strategy. IAR will also work directly with clients to ensure that the Manager(s) selected continue to meet their investment goals. In the event, there are material changes requiring the change of Manager the IAR will make recommendations as to which Manager(s) the Program offers to meet their needs.

1. Cantella does not calculate portfolio manager performance.
2. As described above Cantella utilizes the research reports provided by LA. This information is reviewed minimally annually. There may be certain situation where Cantella approves a Manager(s) for the Program that is not being research covered by LA. In such cases Cantella will perform an initial due diligence review that will include analysis of historical performance, organizational structure, business structure, ADVII and an initial questionnaire. If approved, Cantella will then monitor the manager on an annual basis. This review may incorporate a review of the same items reviewed during the initial due diligence review, as well as the completion of an annual questionnaire.

- B. Currently Cantella does not have a related person that acts as portfolio manager in the program. In the event Cantella decides to allow such activity the Manager would be held to the same standard as any of the Manager(s) currently not research covered by LA.
- C. Currently Cantella does not have a supervised person that acts as a portfolio manager in the program. In the event Cantella decides to allow such activity the Manager would be held to the same standard as any of the Manager(s) currently not research covered by LA. Additionally, allowing supervised persons to act as portfolio manager would require additional disclosures to ADV Part 2A Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities).

Item 7: Client Information Provided to Portfolio Managers

Managers in the program will have access to a profile for each client they manage. The information they have access to will include client name(s), client address, social security number, date of birth, annual household income, net worth, investment time horizon, and if the client or manager chooses to act on proxies. Each Manager has a unique secure username and password. It is the IAR responsibility to update the client profile as needed.

Item 8: Client Contact with Portfolio Managers

All client contact and communications regarding participation in the program will occur through the IAR. Cantella will promptly advise the Manager(s) of any changes to client's investment objectives and financial situation. Cantella may ask Manager(s) to attend meetings with Cantella and clients, however, Managers are under no obligation to attend such meetings.

Item 9: Additional Information

- 1. Disciplinary Information and Other Financial Industry Activities and Affiliations:
 - A. Disciplinary Information: Please refer to Item 9, page 24 of the Firm Brochure.
 - B. Other Financial Industry Activities and Affiliations: Please refer to Item 10, page 25 of the Firm Brochure.
- 2. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Review of Accounts; Client Referrals and Other Compensation; and Financial Information.
 - A. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: Please refer to Item 11, page 25 of the Firm Brochure.
 - B. Review of Accounts: Please refer to Item 13, page 27 of the Firm Brochure.
 - C. Client Referrals and Other Compensation: Please refer to Item 14, page 27 of the Firm Brochure.
 - D. Financial Information: Please refer to Item 18, page 28 of the Firm Brochure.

Last Updated June 2018

Appendix 2 - Managed Account Solutions Wrap Fee Program Brochure

28 State Street, 40th Floor ~ Boston, MA 02109 ~ (800) 333-3502 ~ www.cantella.com

Cantella & Co., Inc. (“Cantella”) is a nationally registered broker/dealer and SEC Registered RIA located in the Financial District in Boston. We are service professionals helping financial professionals provide for client financial needs which may include financial planning, retirement planning, children’s education planning, investment management, and managing taxes efficiently. Our experienced financial advisors utilize a vast array of wealth management tools to help individuals, families, and business owners develop investment portfolios and strategies to meet their financial goals and objectives.

This brochure provides information about the qualifications and business practices of Cantella. If you have any questions about the contents of this brochure, please contact Cantella at (800) 333-3502 or by email via compliance@cantella.com.

The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Being registered does not imply a certain level of skill or training.

Additional information about Cantella also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Below you will find any material changes. Any change is the first since the appendix was created. There have been no material changes to this brochure since its last filing.

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Item 4: Services, Fees and Compensation

- A. Cantella provides investment management and investment advisory services and through a partnership with Envestnet Asset Management (“Envestnet”) and their contracted independent investment advisors through the Managed Account Solutions Program (“MAS”). MAS is only available through NFS.

Cantella provides its clients with an extensive range of investment advisory services through MAS as well as individually managed accounts where Cantella has enlisted third parties, including Envestnet, to offer various investment management products and services. Envestnet and Cantella are not affiliated other than through jointly providing services to the Program. These services include:

- Assessment of the client’s investment needs and objectives;
- Development of an asset allocation strategy designed to help clients achieve their objectives;
- Recommendations on suitable style allocations;
- Identification of appropriate Managers and investment vehicles suitable given the client’s goals;
- Evaluation of asset Managers and investment vehicles meeting style and allocation criteria;
- Engagement of selected asset Managers and investment vehicles on behalf of the client;
- Ongoing monitoring of individual Manager’s performance and management;
- Review of client accounts to ensure adherence to policy guidelines and asset allocation;
- Recommendations for account rebalancing, if necessary;
- Online and paper reporting of client account(s) performance and progress; and
- Fully integrated back office support systems to IARs, including custody, trade execution, and confirmation and statement generation, through NFS.

Cantella will provide client, by and through an IAR, upon acceptance of client’s account, some or all of the above referenced investment advisory services. Cantella does not require client to utilize all services.

Fees charged by the IAR are negotiable and assessed on an individual basis according to different methods disclosed to and agreed upon in advance with the client via the Statement of Investment Selection (hereinafter referred to as “Agreement”). The fees charged take into account the complexity of the work performed, time involved, degree of responsibility of the IAR, special needs and characteristics of the client, types of investments, etc.

Separately Managed Accounts (“SMA”): Depending on the client’s needs, objectives, risk tolerance and time horizon a SMA may be recommended by the client’s IAR. SMAs are accounts whereby the IAR and client select a portfolio Manager to provide portfolio management services. The Managers participating in the SMA Program charge a range of fees depending on the types of investments the Manager utilizes to construct client portfolios. The fees charged by Managers are in addition to fees charged by the IAR and generally fall within the following categories:

Equity disciplines:	40 to 50 basis points
Fixed income disciplines:	35 to 40 basis points
International disciplines:	50+ basis points

Strategic Advisers Mutual Fund Portfolio Program (“SAMFP”): Depending on the client’s needs, objectives, risk tolerance and time horizon, the use of SAMFP may be recommended. The SAMFP fee is in addition to the IAR fee. The fee schedule for SAMFP is as follows:

<u>Billable Assets</u>	<u>SAMFP Fee</u>
First 250K:	40 basis points
Next 250K:	40 basis points
Next 500K:	35 basis points
Next 1M:	31 basis points
Next 3M:	28 basis points
Over 5M:	26 basis points

- B. As the IAR is recommending a program in which they receive compensation, it is possible that the amount of compensation may be more than if the client participated in other programs or paid separately for investment advice, brokerage, and other services.
- C. The wrap fee will consist of all advisory fees, program fees, and transaction charges. There are certain fees that are not part of the wrap fee which may include but not limited to IRA custodial fees, safekeeping fees, interest charges on margin loans, wire fees, and fees for legal or courtesy transfers of securities. If an account holds any mutual funds the client will also incur the funds internal expenses. These expenses are part of the net asset value or price of the mutual fund owned. To view a funds internal expenses, clients should review its prospectus.
- D. Clients of the program will compensate the IAR for investment advisory services on an annual basis at the rate set forth in the Agreement. The fee will be payable monthly in advance for all Account Command programs. The amount of this compensation may be more than what the IAR would receive if the client participated in other Cantella programs, or paid separately for investment advice, brokerage, and other services. The IAR may have a financial incentive to recommend the wrap fee program over other programs and services. A portion of the annual IAR fee charged by the IAR is paid to Cantella for administration of the account.

Item 5: Account Requirements and Types of Clients

Clients participating in the programs are required to grant full discretion in investment authority to their IAR and Manager to invest, reinvest, sell, exchange, allocate and reallocate assets, and otherwise deal with program assets in their discretion.

Clients participating in the programs are required to authorize Cantella and Envestnet to designate NFS to provide trade execution, trade clearing, and custodial services with respect to program assets.

The minimum account size to participate in the SMA program is generally \$100,000. The minimum account size is subject to increase or decrease at the sponsor’s discretion based upon the circumstances of each client, as well as the requirements of the Manager.

There are a number of ways a client can fund their account(s) in the program. However, certain offerings within the programs may enforce restrictions on what investments can be used to fund an account. Each of the programs will accept cash. Once cash or securities are deposited into the client account, the Manager will have discretion over the client assets.

IARs will work with clients in reviewing their current holdings to determine which program or manager is most suitable to meet not only their investment objectives, time horizon and risk tolerance but also what course to take with the current holdings.

Cantella generally provides advisory services to the following types of clients: individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities other than those previously listed.

Item 6: Portfolio Manager Selection and Evaluation

A. Cantella primarily utilizes information gathered by Envestnet through their initial and ongoing research and due diligence process. Cantella offers Managers from Envestnet's "Approved" list. In order to list a Manager as "Approved," Envestnet employs a rigorous multi-phase approach to researching and selecting Managers suitable for participation in its investment programs. "Approved" Managers are evaluated using data and information from several sources, including the Manager and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed is the Manager's Form ADV Part 2, as well as portfolio holdings reports that help to demonstrate the Manager's securities selection process. To ensure accuracy, Envestnet attempts to verify all information by comparing it to publicly available sources.

The investment professionals at the investment management firms are a primary source of information to Envestnet, providing quantitative and qualitative information.

Cantella recommends Managers to clients with a variety of investment strategies. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in these strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. Cantella recommends that clients diversify their investments and do not place all of their investments in high-risk investment strategies.

Envestnet may terminate the contractual relationship with a Manager. As a result Cantella will remove the Manager from client portfolios and cease to offer the Manager to new clients. This will typically occur with Managers who have encountered material regulatory or compliance related problems. Additionally, this may occur if the Manager underperforms significantly for long periods of time.

1. Cantella does not calculate portfolio Manager performance.
2. Before offering services provided by independent Managers to clients, Cantella reviews Envestnet's evaluations of these Managers and may request additional information from Envestnet or the Managers to evaluate the competence and experience of Manager before offering their services to clients. At least annually, Cantella will review any updates to this information to determine if the Manager is still suitable for Cantella clients.

Additionally, Envestnet provides alerts to Cantella through an automated system based on quantitative information for Managers that report to a third-party investment

database, which Cantella uses in its assessment of Managers who exhibit persistent under performance and inattention to style mandate that will directly impact the performance of the Manager (“Watch List of Managers”). Cantella will monitor the Watch List of Managers, and will identify any situation which may warrant Cantella to cease offering the Manager’s services to new clients, and recommend a replacement Manager(s) to existing clients. In these situations, Cantella will review each client situation based upon tax implications and other considerations involved in replacing the Manager and advise the client of options available in light of the circumstances.

- B. Currently Cantella does not have a related person that acts as portfolio Manager in the program. In the event Cantella decides to allow such activity, the Manager would be held to the same standard as any of the Manager(s) currently not monitored by Envestnet.
- C. Currently Cantella does not have a supervised person that acts as a portfolio Manager in the program. In the event Cantella decides to allow such activity the Manager would be held to the same standard as any of the Manager(s) currently not monitored by Envestnet. Additionally, allowing supervised persons to act as portfolio Manager would require additional disclosures to ADV Part 2A Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities).

Cantella does allow IARs to manage their own client portfolios through the program. Please refer to ADV Part 2 Firm Brochure regarding any questions pertaining to fees, strategies, voting securities, etc.

Item 7: Client Information Provided to Portfolio Managers

Cantella and clients compile pertinent financial and demographic information to develop an investment strategy that will seek to meet the client’s goals and objectives. Client’s information is electronically forwarded to Envestnet and a proposal is generated for review by Cantella. Cantella will analyze the proposal and recommend an appropriate strategy based on the client’s needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. Envestnet’s proposal generation software uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical risk ratings for various asset classes, correlation across asset classes and risk premiums. The information they have access to will include client name(s), client address, social security number, date of birth, annual household income, net worth, and investment time horizon. It is the IAR responsibility to update the client profile as needed.

Item 8: Client Contact with Portfolio Managers

All client contact and communications regarding participation in the Program will occur through the IAR. Cantella will promptly advise the Manager(s) of any changes to client’s investment objectives and financial situation. All clients have the opportunity to impose reasonable restrictions on the securities purchased or the way their account is managed. For accounts managed by the client’s IAR there is more flexibility with respect to restrictions versus the other options in the Program. IARs will work with clients to determine if there are any restrictions and if so the investment vehicle within the Program that will meet the client’s needs the best. Restrictions may be imposed in order to gain a tax advantage or for some other personal objective. Any restrictions may adversely affect the risk-reward level of a

portfolio. We will honor the restrictions absent extraordinary circumstances. Clients who impose restrictions with respect to certain assets in a managed account may cause a portion of the portfolio to be placed outside the Manager's discretion, expertise and judgment as to the wisdom of purchasing, holding or selling particular securities. The decision by a client to retain certain assets may have an adverse impact on the amount of risk assumed by the client and may hinder the investment Manager's ability to manage the portfolio properly according to the stated objectives of the client.

Item 9: Additional Information

1. Disciplinary Information and Other Financial Industry Activities and Affiliations:
 - A. Disciplinary Information: Please refer to Item 9, page 24 of the Firm Brochure.
 - B. Other Financial Industry Activities and Affiliations: Please refer to Item 10, page 25 of the Firm Brochure.

2. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Review of Accounts; Client Referrals and Other Compensation; and Financial Information.
 - A. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: Please refer to Item 11, page 25 of the Firm Brochure.
 - B. Review of Accounts: Please refer to Item 13, page 27 of the Firm Brochure.
 - C. Client Referrals and Other Compensation: Please refer to Item 14, page 27 of the Firm Brochure.
 - D. Financial Information: Please refer to Item 18, page 28 of the Firm Brochure.

Appendix 3 – Cantella Asset Management Wrap Fee Program Brochure

28 State Street, 40th Floor ~ Boston, MA 02109 ~ (800) 333-3502 ~ www.cantella.com

Cantella & Co., Inc. (“Cantella”) is a nationally registered broker/dealer and SEC Registered RIA located in the Financial District in Boston. We are service professionals helping financial professionals provide for client financial needs which may include financial planning, retirement planning, children’s education planning, investment management, and managing taxes efficiently. Our experienced financial advisors utilize a vast array of wealth management tools to help individuals, families, and business owners develop investment portfolios and strategies to meet their financial goals and objectives.

This brochure provides information about the qualifications and business practices of Cantella. If you have any questions about the contents of this brochure, please contact Cantella at (800) 333-3502 or by email via compliance@cantella.com.

The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Being registered does not imply a certain level of skill or training.

Additional information about Cantella also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

In 2018, under the Cantella Asset Management (“CAM”) Wrap fee program, we began a pilot offering where clients will have access to a number of different strategists and a UMA option across all three clearing platforms including our Cantella Tactical US Equity Strategy and Cantella US Leveraged Opportunities Strategy which were previously only available on our Pershing platform.

The Cantella Tactical Diversified Global Strategy has been closed to new investors.

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Item 4: Services, Fees and Compensation

- A. Cantella provides investment management and investment advisory services through the Cantella Asset Management Program (“CAM”) custodied at Pershing, National Financial Services and Raymond James .

Cantella, as sponsor, provides its clients with a range of investment advisory services through their Investment Advisor Representative (“IAR “). The services provided by Cantella include:

- Assessment of the client’s investment needs and objectives;
- Development of a strategy(s) designed to help clients achieve their objectives;
- Recommendations on suitable style allocations;
- Identification of appropriate investment strategy(s) suitable given the client’s goals;
- Evaluation of investment strategy(s) meeting style and allocation criteria;
- Engagement of asset managers and signal providers on behalf of the client;
- Ongoing monitoring of individual strategy performance and management;
- Review of client accounts to ensure adherence to policy guidelines and asset allocation;
- Recommendations for account rebalancing, if necessary;
- Online and paper reporting of client account(s) performance and progress; and
- Fully integrated back office support systems to advisors, including custody, trade execution, and confirmation and statement generation, through Pershing.
- Retirement Plan services which are either Fiduciary Services or Non-fiduciary services as outlined in item 4 “Advisory Business” of the ADV Part 2A. Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or applicable state laws, rules or regulations

Cantella will provide client, by and through an IAR, upon acceptance of client’s account, some or all of the above referenced investment advisory services. Though all of the above referenced services may be offered, client may select one or more of the services. Cantella does not require the client to utilize all services offered.

Investment Options:

- **Cantella Asset Management (“CAM”)**: Cantella provides investment management and investment advisory services to its clients through their IARs. IARs will work with clients to determine what platform is most appropriate in attempting to assist clients with their individual goals and objectives. Clients participating in a new pilot offering within CAM, with accounts at Pershing, NFS and Raymond James, will have access to a number of different strategists and a UMA option including our Cantella Tactical US Equity Strategy and Cantella US Leveraged Opportunities Strategy which were previously only available on our Pershing platform . Cantella through CAM allows for IARs to manage client accounts on a discretionary basis. Clients have three options when establishing accounts through CAM:
 - **Representative as Portfolio Manager (“Rep as PM”)**: IARs will assist clients with the completion of a Risk Profile Questionnaire (“RPQ”). IARs may then create a client proposal driven by the client’s tolerance for risk as identified in the client RPQ.

- Single Sleeve Strategists: Cantella will make available to its IARs and their clients approved Strategists. The selected Strategist will send trade signals to Cantella's trading department for execution.
- Unified Managed Account ("UMA"): The UMA option allows a client to utilize multiple Strategists or Rep as PM in one account. The IAR will work with the client using the RPQ to recommend which Strategists, including whether the IAR will be managing a portion of the assets.

The decision on which option to select is made between the client and their IAR.

- Cantella Tactical Advisory Accounts: Cantella makes available the Cantella US Leveraged Opportunities strategy and the Cantella Tactical US Equity strategy. In Cantella Tactical Advisory Accounts, the client pays an advisory fee and program fee, based on assets under management. The minimum account size to participate in the program is generally \$100,000. The minimum account size is subject to increase or decrease at Cantella's discretion. Tactical strategies are monitored daily with positions and exposure updated to determine deviation from the optimal model portfolio. Trading will be determined based on the position variance from the optimal model. Model Manager will consult with Cantella when buys and/or sells will be transacted. Cantella maintains discretion on client accounts. Clients wishing to utilize the Tactical option may open accounts at Pershing, National Financial and Raymond James.
 - Tactical US Equity may invest in any domestically-based ETF in the following asset classes: U.S. Equity, Fixed Income, Commodities, Currencies and Cash. Client account(s) will hold only long ETFs, no leveraged or inverse ETFs.
 - Leveraged US Opportunities seeks to outperform the benchmark, which is the S&P 500® Index, while maintaining a similar level of risk. The strategy actively allocates assets across equity, fixed income and cash markets in the U.S. Forward-looking proprietary models are designed to shift the asset mix away from overvalued asset classes to undervalued ones, while also mitigating downside risk. Model Manager will consult with Cantella when buys and/or sells will be transacted. Cantella maintains discretion on client accounts. In implementing the strategy the portfolio allows for the use of long-only Levered and Inverse ETGs. Portfolios may invest in any domestically-based ETF in the following asset classes: U.S. Equity, Fixed Income and U.S. Cash.

Clients should work with their advisor to determine which option(s) to select.

Fees:

Pilot Offering within "CAM": Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. The fee will be payable monthly in advance. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value.

Account Asset Value	Annual Advisory Fee (including program fee)
First \$100,000	
Next \$400,000	
Next \$500,000	
Over \$1,000,000	

The annual advisor fee will be disclosed on the Cantella Investment Advisory Agreement.

Assets invested in the following Strategists are subject to additional fees as follows:

Cantella US Leveraged Opportunities	.25%
Cantella Tactical US Equity	.30%

The total fee will be the sum of the Annual Advisory Fee and any Strategist Fee, if applicable.

- **Cantella Tactical Advisory Account:** Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement

In the case of the Cantella Tactical Advisory Account's, advisory fees paid are a combination of the IAR's fee and Cantella's Program Fee.

Standard fee schedule for Cantella Tactical Advisory Accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Tactical Investment Advisory Client Agreement.

Cantella Tactical US Equity

Account Asset Value	Annualized Fee
First \$500,000	2.50%
Next \$500,000	2.30%
Nex \$1,000,000	2.15%
Over \$2,000,000	2.00%

- **Cantella Leveraged US Opportunities:** Clients will compensate Cantella for investment advisory services on an annual basis at the rate set forth in the Investment Advisory Client Agreement. The fee will be payable monthly in advance. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement.

In the case of the Cantella Leveraged US Opportunities Advisory Account's, advisory fees paid are a combination of the IAR's fee and Cantella's Program Fee.

Standard fee schedule for Cantella Leveraged US Opportunities Advisory Accounts: As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed on Schedule A of the Investment Advisory Client Agreement.

Account Asset Value	Annualized Fee
Billable assets	1.75%

Retirement Plan Accounts Program (Qualified Plan Account Program): In Retirement Plan Accounts held at NFS and Pershing, clients pay one fee that includes the advisory fee as well as any transactions charges. Clients will not incur postage and handling fees. Plan will compensate IAR for services on an annual fee basis at the rate set forth in the Fee Schedule. Accounts are billed initially for the days from inception to the end of the month based on the inception value. Subsequent monthly fees will be calculated based upon the previous month's end value. No fee adjustments will be made for contributions or withdrawals of funds until adjustments are made as reflected in the next month's statement. Cash balances will be held in a money market fund. IAR can provide Plan with list of all available money market funds. Investment Advisor is authorized to deduct from the Plan's account any fee owed to the IAR pursuant to the terms of the Agreement. All fees paid will be reported on the account statement.

Standard fee schedule for Cantella Qualified Plan Account Program;

Account Asset Value	Annualized Fee
First \$500,000	2.25%
Next \$500,000	2.00%
Over \$1,000,000	1.75%

As stated above fees are negotiable. Any adjustments made to the fee schedule need to be detailed within the Investment Advisory Agreement.

- B. As the IAR is recommending a program in which they receive compensation, it is possible that the amount of compensation may be more than if the client participated in other programs or paid separately for investment advice, brokerage, and other services.
- C. The wrap fee will consist of all advisory fees, program fees, and transaction charges. There are certain fees that are not part of the wrap fee which may include but not limited to IRA custodial fees, safekeeping fees, interest charges on margin loans, wire fees, and fees for legal or courtesy transfers of securities. If an account holds any mutual funds the client will also incur the funds internal expenses. These expenses are part of the net asset value or price of the mutual fund owned. To view a funds internal expenses, clients should review its prospectus.
- D. Clients of the program will compensate the IAR for investment advisory services on an annual basis at the rate set forth in the Agreement. The fee will be payable monthly in advance for all Account Command programs. The amount of this compensation may be more than what the IAR would receive if the client participated in Cantella's other programs, or paid separately for investment advice, brokerage, and other services. The IAR may have a financial incentive to recommend the

wrap fee program over other programs and services. A portion of the annual IAR fee charged by the IAR is paid to Cantella for administration of the account.

Item 5: Account Requirements and Types of Clients

Clients participating in the programs are required to grant full discretion in investment authority to Cantella to invest, reinvest, sell, exchange, allocate and reallocate assets, and otherwise deal with program assets at their discretion.

Clients participating in the program are required to authorize Cantella to designate Pershing LLC, an affiliate of the BNY Mellon, National Financial Services and Raymond James to provide trade execution, trade clearing, and custodial services with respect to program assets.

The minimum account size to participate in the program is generally \$100,000. The minimum account size is subject to increase or decrease at the sponsor's discretion based upon the circumstances of each client.

There are a number of ways a client can fund their account(s) in the program. Each of the strategies will generally accept cash, stocks, bonds, mutual funds, ETFs and closed end funds. Once cash or securities are deposited into the client's account, the Manager will have discretion over the client assets.

There are certain ineligible assets that cannot be transferred into the client account. These include but are not limited to limited partnerships, insurance, and annuities.

IARs will work with clients in reviewing their current holdings to determine which strategy(s) is most suitable to meet not only their investment objectives, time horizon and risk tolerance, but also what course to take with the current holdings.

Cantella generally provides advisory services to the following types of clients: individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities other than those previously listed.

Item 6: Portfolio Manager Selection and Evaluation

A. Cantella primarily utilizes buy/sell signals provided by a third party through a Model Manager Agreement in addition to Strategists. In determining the third-party Model Manager and Strategists, Cantella gathers initial and ongoing research and due diligence. Among the types of information analyzed are historical performance, Form ADV, investment philosophy, investment style, historical volatility and correlation across asset classes. The model manager is the primary source of information, providing quantitative and qualitative information. Cantella attempts to verify certain information by comparing it to publicly available sources. Before adding or changing a model manager or Strategist, Cantella reviews evaluations of these managers and may request additional information from the managers to evaluate the competence and experience before a decision is made to add or remove a manager or Strategist.

Cantella will monitor and identify any situation which may warrant Cantella to cease utilizing the manager's or Strategist services and to find a replacement. In these situations, Cantella will review each strategy based upon tax implications and other considerations involved in replacing the manager and advise the client and IAR of the circumstances.

The IAR and client will compile pertinent financial and demographic information to develop an investment strategy based on the client's needs, investment objectives, investment time horizon, risk tolerance and any other pertinent factors. The IAR will then make recommendations regarding which strategy(s) in the Cantella Asset Management Account program fit with the client's investment strategy. IAR will also work directly with clients to ensure that the strategy(s) selected continue to meet their investment goals. In the event, there are material changes requiring the change of strategy the IAR will make recommendations as to which investment option offers to meet their needs.

1. Cantella does not calculate portfolio manager performance.
 2. Cantella reviews its signal provider/model manager(s) on a quarterly basis. In conducting the review Cantella may review the following types of information:
 - Form ADV
 - Performance
 - News
 - Activity
- B. Currently Cantella does not have a related person that acts as a model manager or portfolio manager in the program. In the event Cantella decides to allow such activity the Manager would be held to the same standard as any of the signal provider(s) currently utilized in the program.
- C. Currently Cantella does not have a supervised person that acts as a model manager or portfolio manager in the program. In the event Cantella decides to allow such activity the model manager or Manager would be held to the same standard as any of the Manager(s) currently utilized in the program. Additionally, allowing supervised persons to act as portfolio manager would require additional disclosures to ADV Part 2A Items 4.B, 4.C, 4.D (Advisory Business), 6 (Performance-Based Fees and Side-By-Side Management), 8.A (Methods of Analysis, Investment Strategies and Risk of Loss) and 17 (Voting Client Securities).

Item 7: Client Information Provided to Portfolio Managers

Cantella client personal identifiable information is not shared with model manager(s). The only information that will be shared with the model manager is portfolio values.

Item 8: Client Contact with Portfolio Managers

All client contact and communications regarding participation in the program will occur through the IAR. Cantella may ask model manager(s) to attend meetings with Cantella and clients, however, managers are under no obligation to attend such meetings.

Item 9: Additional Information

1. Disciplinary Information and Other Financial Industry Activities and Affiliations:
 - A. Disciplinary Information: Please refer to Item 9, page 24 of the Firm Brochure.
 - B. Other Financial Industry Activities and Affiliations: Please refer to Item 10, page 25 of the Firm Brochure.

2. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; Review of Accounts; Client Referrals and Other Compensation; and Financial Information.
 - A. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: Please refer to Item 11, page 25 of the Firm Brochure.
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 - D. Financial Information: Please refer to Item 18, page 28 of the Firm Brochure.