

# **Altrius Capital Management, Inc.**

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**March 6, 2026**

**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of Altrius Capital Management, Inc. If you have any questions about the contents of this brochure, contact us at (252) 638-7598. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Altrius Capital Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Altrius Capital Management, Inc. is 121529.

Altrius Capital Management, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

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

This Brochure, dated March 6, 2026, replaces the July 21, 2025 version. This Brochure includes the following material changes since our last Annual Amendment, which was issued March 26, 2025:

- Cover Page: Updated the address of the firm
- Item 4: Updated to reflect the firm has relocated to Novi, Michigan
- Item 5: Updated to clarify fee billing adjustments related to net contributions/withdrawals
- Item 8: Added disclosure regarding risks associated with the use of margin
- Item 12: Updated to clarify and specifically state that we have no soft dollar arrangements

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## Item 4 Advisory Business

Altrius Capital Management, Inc. ("Altrius") is an SEC-registered investment adviser based in Novi, Michigan. Our firm was founded in 1997 and is organized as a Subchapter S-corporation under the laws of the State of North Carolina. We have been providing investment advisory services since 2004. James M. Russo is the principal owner. We have been delivering global balanced investment management services to a broad range of clientele for more than a decade and seek to provide diversified investment management services utilizing our fundamentally based, value oriented, and risk managed investment management process. With an economics underpinning and a value-based philosophy, our investment management process is focused on finding the best solutions for investors across markets in an effort to deliver risk managed out performance over the short and long term.

As used in this Brochure, the words "we", "our" and "us" refer to Altrius and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Supervised Person throughout this Brochure. As used in this Brochure, our Supervised Persons are our firm's officers, directors, employees, and all individuals providing investment advice on behalf of our firm.

### Investment Management Services

We provide discretionary investment management services in accordance with your individual investment objectives. In the event you decide to engage our firm to provide investment management services (which may include certain financial planning and/or consulting services), you will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees to be paid.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing restrictions and guidelines in writing.

Account supervision is guided by your stated objectives (balanced, conservative balanced, and equity tilted balanced). We will assist you with identifying your investment objectives by assessing your risk tolerance based upon your age, income, need for cash flows, investment goals, and emotional tolerance for volatility. Strategies are then developed and implemented through an optimal combination of investments. When constructing portfolios, we will determine how to allocate funds across different assets classes and securities. Refer to the *Other Financial Industry Activities and Affiliations* section below for disclosures on investments in our affiliated fund(s).

We will also provide you with reports, at least quarterly, that generally include relevant account and/or market-related information such as an inventory and appraisal of account holdings, and investment performance. We may provide additional reports at your request. We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, call our main office number located on the cover page of this Brochure.

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change or if you wish to impose or change any reasonable restrictions on our management of your account(s).

### Financial Planning

Financial planning is offered through an on-going relationship and will typically involve providing a variety of

services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. At the inception of the client relationship, we will establish your objectives by collecting data and reviewing your financial information and circumstances. Once such information has been reviewed and analyzed, written reports designed to achieve your stated financial goals and objectives will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets and liabilities in meeting your financial goals and objectives. Financial plans may incorporate recommendations with respect to cash flow, assets and liabilities, asset allocation, insurance analysis, education funding, retirement planning, estate planning, tax strategies, asset protection, real estate, charitable giving, equity compensation, and small business planning. Additionally, financial planning services include periodic reviews and assistance to you in implementing the plan as mutually agreed upon. Financial plans are based on your financial situation at the time the plan is presented and are based on the financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

### **Advisory Consulting Services**

Some clients may need general consulting services on specific securities and non-securities related investments. Such services may include some modular financial planning functions, or more general advice. We do not offer legal or tax counsel. At your request, we will provide professional references in these and associated areas.

Consulting services may include, but are not limited to, risk assessment/management, education funding, or financial decision making/negotiation. Through this limited engagement, you agree to hold our firm and our Supervised Persons harmless from any liability arising out of any area(s) that we were not expressly contracted to review and/or analyze. Fees and fee-paying arrangements for general consulting services are negotiated on a case-by-case basis. In the event you decide to engage our firm for advisory consulting services, you will be required to enter into a written engagement letter with us describing the scope of the services to be provided and the fees to be paid.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, and/or education services to plan participants regarding risk tolerance and investment choices.

### **Advisory Services to Retirement Plans**

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Security Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor under ERISA Section 408(b)(2), we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, potential conflicts of interest, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan and related compensation are described below in Item 5, and in the service agreement that you have previously signed with our firm. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. Nonetheless, if we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan and Participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA, only. In all cases, our status as a fiduciary under ERISA is clearly disclosed in the agreement you previously signed. If there is any discrepancy between the disclosures in this paragraph and the agreement, the agreement shall govern.

For purposes of complying with the U.S Department of Labor's ("DOL") Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, Altrius acts a fiduciary within the meaning of Title I of ERISA and/or the Internal Revenue Code ("IRC"), as applicable, in providing investment advice to a client regarding a client's retirement plan account or individual retirement account.

Altrius benefits financially from the rollover of client assets from a retirement account to an account that Altrius manages or provides investment advice, because the assets increase Altrius' assets under management and, in turn, Altrius' advisory fees. As a fiduciary, Altrius only recommends a rollover when we believe it is in the client's best interest.

At the opening of a rollover IRA account, Altrius shall conduct a fiduciary review of the client's current retirement plan account to consider if the rollover is in the client's best interest. Considerations shall include fees and expenses, available services, investment options, RMD deferral options, penalty-free withdrawal, and loan provisions.

### **Sub-Advisory Services Offered to Other Registered Investment Advisers**

Altrius serves as sub-adviser to Altrius Global Dividend ETF (the "Fund"), Ticker: DIVD. The Fund is an actively managed Exchange Traded Fund ("ETF") seeking long-term capital growth of capital and income by investing in dividend-paying equity securities. The Fund is comprised of thee fundamental building blocks: Global Macro Analysis, Value, and Total Return. The Fund is designed to provide distributable income by capturing company dividends and distributing them at the end of each month. The strategy aims to participate with rising markets, perform in sideways markets, and protect by providing income in down markets.

Altrius may also act as a sub-advisor to advisers unaffiliated with Altrius. These third-party advisers would outsource portfolio management services to Altrius. This relationship will be memorialized in each contract between Altrius and the third-party adviser.

### **Types of Investments**

Accounts are normally managed using individual common stocks and bonds, ETFs, master limited partnerships and real estate investment trusts on an asset allocation basis. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2025, we provide continuous management services on \$697,981,796 in discretionary assets and \$18,045,165 in non-discretionary assets.

## **Item 5 Fees and Compensation**

### **Investment Management Services**

Our fee for investment management services is based on a percentage of your assets we manage and is set

forth in the following annual fee schedule:

| <b>Account Asset Value</b> | <b>Fees (Annualized)</b> |
|----------------------------|--------------------------|
| First \$500,000            | 1.40%                    |
| Next \$500,000             | 1.00%                    |
| Over \$1 million           | 0.80%                    |

In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., the amount of work involved, amount of assets placed under our management, attention required in managing the account, etc.). For this fee, clients will receive asset allocation advice, money management, financial planning and custodial services. However, clients are made aware that transaction charges for trades made are paid in addition to the annual management fee.

Our portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. For the initial quarter of investment management services, the first quarter's fees will be calculated on a pro-rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

When appropriate, we combine the account values of family members living in the same household to calculate the applicable advisory fee. For example, when applicable, we combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values increases total assets, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

You may make additions to and withdrawals from your account at any time, subject to our right to terminate your account. You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives. Fees are billed quarterly in advance. Net additions to or withdrawals of \$10,000 or more from an account during a quarter will be reflected as an adjustment (charge or credit) during the billing period.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will provide you with a quarterly performance report that contains a summary of fees and how they were calculated. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate our portfolio management agreement by submitting 30 days' written notice to our firm, which is effective upon our receipt. You will incur a pro-rata charge for services rendered prior to the termination notice of our portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the calendar quarter for which you were a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.

### **Advisory Consulting Services**

Fees and fee-paying arrangements for general consulting services are negotiated on a case-by-case basis. In the event you decide to engage our firm for advisory consulting services, you will be required to enter into a written engagement letter with us describing the scope of the services to be provided and the fees to be paid.

You may terminate our advisory consulting services agreement by submitting 30 days' written notice to our

firm, which is effective upon our receipt. You will incur a pro-rata charge for services rendered prior to the date of termination notice. If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.

### **Advisory Services to Retirement Plans**

Fees and fee-paying arrangements for retirement plan services are negotiated on a case-by-case basis. Where we provide continuous asset management services, our fees and fee-paying arrangements are based on the tiered fee schedule and other information disclosed above at *Investment Management Services*. With respect to our *Pension Consulting Services*, we charge an annual fee of 0.5% of the value of the plan.

The agreed upon services, relevant fees, and fee-paying arrangements will be disclosed in the executed service agreement.

You may terminate our retirement plan services agreement by submitting written notice to our firm, which is effective upon our receipt. You will incur a pro-rata charge for services rendered prior to the termination of our retirement plan services agreement, which means you will incur advisory fees only in proportion to the number of days in the calendar quarter for which you were a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a pro-rated refund of those fees.

### **Sub-Advisory Services Offered to Other Registered Investment Advisers**

We are paid a percentage of assets under management by the Principal Advisers. Fees and fee-paying arrangements are negotiated on a case-by-case basis.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and ETFs. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. Certain Altrius employees accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of ETFs or mutual funds. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, ETFs, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this Brochure.

We may trade client accounts on margin. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved. You are encouraged to contact our firm at the telephone number on the cover page of this Brochure to discuss any questions you may have regarding your account statement.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, investment companies, separately managed accounts, and other business entities. In general, we require a minimum of \$500,000 in investible liquid assets to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management, or where a smaller account is tied to a larger client relationship. We may also combine accounts for you and your minor children, joint accounts with your spouse, and other types of related accounts.

From time to time, Altrius may recommend to clients who do not meet the minimum to participate in a managed discretionary relationship, that they invest in the Fund. This presents a conflict of interest as Altrius receives a fee for providing sub-advisory services to the Fund. Altrius does not charge any separate fees or commissions from trades placed for these clients in the Fund. Clients are provided with this disclosure when presented with the recommendation.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

The use of margin transactions is not a fundamental part of our overall investment strategy, but we may use this strategy upon client request.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Your account custodian, and our portfolio performance management and accounting software, will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax adviser to determine if this accounting method is the right choice for you. If your tax adviser

believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Research Processes**

In providing advisory services, research is conducted internally utilizing information obtained from a wide variety of sources and all professional staff members actively participate in the company's research effort. Increasingly, the internet and new databases provide a wealth of ideas and information to enhance our research. The priority is for analysts to build up their knowledge and insights on an industry or company and to exploit the vast wealth of information that is increasingly available.

Industry research is used to supplement the company's own research efforts. Our analysts research investments on a continuous basis. Primary resources used by our analysts and portfolio managers include Thomson Reuters and Morningstar.

### **Performance Advertising**

We advertise our past performance and claim compliance with the Global Investment Performance Standards ("GIPS®").

### **Risk Analysis**

No investment is free of risk. Current and prospective investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. Based on the types of investments that Altrius may recommend, all investors should be aware of certain risk factors, which include, but are not limited to, those discussed in the following paragraphs.

#### *Artificial Intelligence*

Altrius does not utilize artificial intelligence in the portfolio management process, still, recent technological advances in generative artificial intelligence and machine learning technology (collectively, "Artificial Intelligence") pose risks to Altrius and its clients. Artificial Intelligence is a branch of computer science focused on creating systems capable of performing tasks that typically require human intelligence; this includes, among other things, methods for analyzing, modeling, and understanding language, as well as developing algorithms that can learn to perform various tasks. Altrius and the companies in which clients invest could be further exposed to the risks of Artificial Intelligence if third-party service providers or any counterparties, whether or not known to Altrius, also use Artificial Intelligence in their business activities. Altrius cannot control third-party operations, product development, or service provision.

Artificial Intelligence is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Artificial Intelligence utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error — potentially materially so — and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Artificial Intelligence. To the extent that Altrius or the companies in which clients invest are exposed to the risks of Artificial Intelligence, any such inaccuracies or errors could have adverse impacts on a client's performance.

#### *Cybersecurity and Business Continuity Risk*

Altrius has a policy in place to respond to a Significant Business Disruption (SBD). In the event of an SBD, our policy is to safeguard our employees' lives and Altrius prosperity, to conduct a rapid financial and operational assessment, to recover quickly and resume operations swiftly, to protect Altrius' books and records, and to allow Altrius clients to transact business seamlessly. If it is determined Altrius is unable to continue its business, Altrius will assure clients prompt access to their funds and securities. Altrius has taken significant steps to reduce the impact of business interruptions resulting from a wide variety of potential events.

The Business Continuity Plan (BCP) and other related policies and procedures are meant to reduce any business downtime. These plans put in place the resources, personnel, equipment, and procedures designed to minimize operational downtime. The BCP involves defining the mission critical systems and is designed to document the information and procedures needed to safeguard business operations and restore the necessary operations after any natural or man-made disaster event.

#### *Dividend-Paying Common Equity Security Risk*

Clients will normally receive income from dividends that are paid by issuers of client investments. The amount of the dividend payments may vary and depends on performance and decisions of the issuer. Poor performance by the issuer or other factors may cause the issuer to lower or eliminate dividend payments to investors. Additionally, these types of securities may fall out of favor with investors and underperform the broader market. Depending upon market conditions, dividend-paying securities may not be widely available or may be highly concentrated in only a few market sectors.

#### *Emerging Markets Risk*

Investments in securities and instruments traded in developing or emerging markets, or that provide exposure to those securities or markets, can involve additional risks relating to political, economic, or regulatory conditions not associated with investments in U.S. securities and instruments. For example, developing and emerging markets may be subject to (i) greater market volatility, (ii) lower trading volume and liquidity, (iii) greater social, political and economic uncertainty, (iv) governmental controls on foreign investments and limitations on repatriation of invested capital, (v) lower disclosure, corporate governance, auditing and financial reporting standards, (vi) fewer protections of property rights, (vii) restrictions on the transfer of securities or currency, and (viii) settlement and trading practices that differ from those in U.S. markets. Each of these factors may impact the ability to buy, sell or otherwise transfer securities, adversely affect the trading market and price for shares and cause the investments to decline in value.

#### *Equity Market Risk*

Overall stock market risks may affect the value of the investments in equity strategies causing the market value of securities to move up and down, sometimes rapidly and unpredictably. These fluctuations may cause a security to be worth less than the price that was originally paid, or less than it was worth at an earlier time. Market risk may affect a single issuer, an industry, or a sector of the economy or the market as a whole. Equity markets are affected by factors such as economic growth and market conditions, interest rates, currency exchange rates and political events in the U.S. and abroad, as well as the expectations market participants have of those factors.

#### *ETF Risks*

The risk of owning an ETF generally reflects the risks of owning the underlying securities of the ETF. The client will bear additional expenses based on your pro rata share of the ETF's operating expenses. The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### *Foreign Investment Risk*

Altrius may invest in foreign securities, including non-U.S. dollar-denominated securities traded outside of the United States and U.S. dollar-denominated securities of foreign issuers traded in the United States. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in U.S. securities.

### *Investments in Master Limited Partnership (“MLP”) Units Risk*

An investment in MLP units involves some risks which differ from an investment in the common stock of a corporation. Holders of MLP units generally have limited control and voting rights on matters affecting the partnership. The value of the client’s investment in MLPs depends largely on the MLPs being treated as partnerships for U.S. federal income tax purposes. If an MLP does not meet current legal requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be taxed as a corporation and there could be a material decrease in the value of its securities.

### *Investments in Real Estate Investment Trust (REIT) Risk*

Investment in REITs will subject the client to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses.

### *Margin Risk*

Margin increases an account’s exposure to market movements and can magnify gains and losses. If the value of margin-purchased securities declines, a client may be required to deposit additional cash or securities on short notice to meet margin requirements (a “margin call”). If the client does not meet a margin call, the broker-dealer may sell securities without notice to satisfy the call, which may result in losses and may occur at unfavorable times or prices. The use of margin also results in interest charges and other costs that will reduce returns, and these costs may increase as interest rates rise. Because our advisory fees are generally based on assets under management, including the value of securities purchased on margin, the use of margin may create a conflict of interest because it can increase the account’s market value and therefore increase the fees we earn.

### *Natural & Unavoidable Events Risk*

Global markets are interconnected, and events like hurricanes, floods, earthquakes, forest fires and similar natural disturbances, war, terrorism or threats of terrorism, civil disorder, public health crises, and similar “Act of God” events have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term and wide-spread effects on the world economies and markets generally. Clients may have exposure to countries and markets impacted by such events, which could result in material losses.

### *Small- and Mid-Capitalization Company Risk*

Investing in securities of small- and mid-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. These companies’ securities may be more volatile and less liquid than those of more established companies. Often small- and mid-capitalization companies and the industries in which they focus are still evolving and, as a result, they may be more sensitive to changing market conditions.

### *Value-Style Investing Risk*

Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon Altrius’ belief that the stock may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits should their prices rise in response to resolution of the issues which caused the valuation of the stock to be depressed. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of economic downturn. Furthermore, there is the risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that their valuations may fall or never rise. Finally, there is the increased risk in such situations that such companies may not have sufficient resources to continue as ongoing businesses, which would result in the stock of such companies potentially becoming worthless. The market may not agree with Altrius’ assessment of a stock’s intrinsic value, and value stocks may fall out of favor with investors for extended periods of time.

For further specific risks associated with the Altrius Global Dividend ETF, clients should review the prospectus of the Fund.

## **Item 9 Disciplinary Information**

Altrius has been registered and providing investment advisory services since 2004 and James M. Russo, our Managing Member, has been engaged in the financial services industry since 1997. Neither our firm nor any of our Supervised Persons have been subject to any disciplinary action.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. Other investment adviser or financial planner.
4. Futures commission merchant, commodity pool operator, or commodity trading advisor.
5. Banking or thrift institution.
6. Accountant or accounting firm.
7. Lawyer or law firm.
8. Insurance company or agency.
9. Pension consultant.
10. Real estate broker or dealer.
11. Sponsor or syndicator of limited partnerships.

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

We have adopted a Code of Ethics for all Supervised Persons of the firm describing our high standard of business conduct, and fiduciary duty to clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition against disseminating rumors or other false information, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All Supervised Persons at Altrius must acknowledge the terms of the Code of Ethics annually, or as amended.

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, we will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, may have a position of interest. A conflict of interest arises when Altrius employees buy or sell the same securities Altrius is buying or selling or holding for clients. Our employees and other persons associated with Altrius are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, members and employees of Altrius and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. It

is the expressed policy of Altrius that no person employed by Altrius may purchase or sell any security prior to a transaction(s) being implemented for an advisory client's account, and therefore, preventing such employees from benefiting from transactions placed on behalf of an advisory client's accounts.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Altrius' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Altrius and its clients.

A full copy of Altrius Capital Management's Code of Ethics is available upon request to the CCO at (252) 638-7598.

## Item 12 Brokerage Practices

We recommend that securities be purchased through the facilities of Charles Schwab Institutional, a division of Charles Schwab, Inc. ("Charles Schwab"), member FINRA/SIPC. We participate in the Charles Schwab Institutional Customer Program for advisers ("Institutional Program"). Charles Schwab is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. Charles Schwab offers independent investment advisers services that include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from Charles Schwab through our participation in these programs. In addition to the benefits disclosed below, we may receive benefits such as assistance with conferences and educational meetings from product sponsors. Refer to *Item 14 Client Referrals and Other Compensation* for additional disclosures on this topic.

We do not have any formal or informal soft dollar arrangements. We do not receive research or other products or services (other than execution) from a broker-dealer or third party in connection with client securities transactions ("soft dollar benefits"). However, we may receive certain products and services from Charles Schwab through our participation in the Institutional Program. The receipt of such benefits creates a potential conflict of interest because it gives us an incentive to recommend Charles Schwab based on the benefits we receive rather than solely on a client's interest in receiving most favorable execution.

In suggesting a broker-dealer we will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services. However, it may be the case that the recommended broker charges a higher fee than another broker charges for a particular type of service, such as commission rates. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker as the firm recommends. In recognition of the value of research services and additional brokerage products and services Charles Schwab provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Refer to *Item 14 Client Referrals and Other Compensation* for additional disclosures on this topic.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. We do not obligate ourselves to seek the lowest transaction charges in all cases except to the extent that it contributes to the overall goal of obtaining the best results for your account. While we endeavor at all times to put your interest first as part of our fiduciary duty, you should be aware that the receipt of additional benefits themselves creates a potential conflict of interest.

We may also use other executing brokers for the purchase and/or sale of bonds when suitable. We do not

receive any benefits from these executing brokers.

### **Directed Brokerage**

Except where we provide advisory services to certain 401(k) plans, or act as sub-advisor on an SMA platform, we require you to direct our firm to execute transactions through Charles Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

Transactions for each client may be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 13 Review of Accounts**

### **Investment Management Services**

We monitor client portfolios as part of an ongoing process while regular account reviews are conducted periodically. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, market moving events, changes in your financial situation, and/or, changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from your account custodian. We will also provide you with reports, at least quarterly, that generally include relevant account and/or market-related information such as an inventory and appraisal of account holdings, and investment performance. We *may* provide additional reports at your request. Refer to the *Brokerage Practices* section above for additional information on this topic.

We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, call our main office number located on the cover page of this Brochure.

## Item 14 Client Referrals and Other Compensation

We may directly compensate non-employee (outside) consultants, individuals, and/or entities (“Solicitors”) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Brochure along with the Solicitor’s disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires.

Alternatively, the Solicitor may receive a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. This creates a conflict of interest because the Solicitor has a financial incentive to recommend our firm to you for advisory services. However, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Altrius previously received client referrals from TD Ameritrade through participation in TD Ameritrade Advisor Direct (the “referral program”). Before its purchase by Charles Schwab, TD Ameritrade was a discount broker-dealer independent of, and unaffiliated with our firm; we do not have an employee or agency relationship between them or Charles Schwab. TD Ameritrade established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisers. Neither TD Ameritrade nor Charles Schwab supervises our firm and has no responsibility for our management of your portfolios or our other advice or services.

We no longer participate in TD Ameritrade’s nor Charles Schwab’s referral programs; however, Charles Schwab continues to receive an on-going fee for clients which were referred to Altrius. This fee was usually a percentage (not to exceed 25%) of the advisory fee that referred clients pay our firm (“Solicitation Fee”). Charles Schwab also receives the Solicitation Fee on any advisory fees received by our firm from any of a previously referred client’s family members, including a spouse, child or any other immediate family member who resides with the referred client and who hired our firm on the recommendation of such referred client. We did not charge clients referred through Advisor Direct any fees or costs higher than our standard fee schedule offered to our clients or otherwise pass Solicitation Fees on to referred clients.

As disclosed above under Item 12 Brokerage Practices, we participate in Charles Schwab’s Institutional Customer Program (“Institutional Program”), and we may recommend Charles Schwab to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to Charles Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third-party vendors. Charles Schwab may also have paid for business consulting and professional services received by our Supervised Persons. Some of the products and services made available by Charles Schwab through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Supervised

Persons through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Supervised Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of Charles Schwab for custody and brokerage services.

## Item 15 Custody

Altrius does not maintain custody of client assets. On February 21, 2017, the SEC issued further clarification and guidance regarding the Custody Rule, which includes seven conditions that must be met to avoid the Rule's surprise examination requirement. The firm's custodian Charles Schwab has implemented procedures to assist in complying with the new guidance.

- Supervised Persons of the firm will not be able to change the address of record, primary phone number or e-mail address for client accounts.
- Charles Schwab will only permit internal journals of like titled accounts. All other internal transfers or third-party money movement requests must be authorized in writing by client in the form of a signed Letter of Authorization.
- Charles Schwab will no longer accept verbal like-titled wire requests from advisers. Wire requests must be authorized in writing by client in the form of a signed Letter of Authorization.
- The firm does not keep Standing Letters of Authorization for any clients and requires written instructions in the form of a signed Letter of Authorization at the time of a third-party money movement request.

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

To the extent you receive invoices from our firm you should compare our invoices with the statements from your account custodian(s) to reconcile the information reflected in each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact our firm at (252) 638-7598.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section above for more information on our discretionary management services.

Non-discretionary assets are not billed a fee, but we can transact buys and sells at the client's direction. In most of these cases, we have a signed advisory agreement with the client and we manage most of the client's

assets with discretion. Since the non-discretionary assets are held outside of Altrius, they are not billed or traded against our Investment Policy Statement model. Other assets that are considered non-discretionary are those for which beneficiary accounts are opened. These remain non-discretionary until they are rolled out or the beneficiary elects to become a client.

## **Item 17 Voting Client Securities**

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of clients. Our clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. We may provide advice to clients regarding the voting of proxies.

A full copy of Altrius Capital Management's Proxy Voting Policy is available upon request to the CCO at (252) 638-7598.

## **Item 18 Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. *Altrius is not subject to any financial commitment or condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.*