



Calabash Asset Management, LLC Firm Brochure - Form ADV Part 2A

This Brochure provides information about the qualifications and business practices of Calabash Asset Management, LLC ("Calabash"). If you have any questions about the contents of this Brochure, please contact us at +1 (888) 770-5370 or by email at: WelshG@CalabashAsset.com.

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

Additional information about Calabash Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Calabash Asset Management, LLC's CRD Number is: 287793. Registration does not imply a certain level of skill or training.

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Version February 10, 2022

Item 2 – Material Changes

Calabash believes that communication and transparency are the foundation of its relationship with Clients and will always strive to provide its Clients with complete and accurate information. Calabash encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us.

Material Changes

There have been several updates to this Disclosure Brochure since our last filing on March 12, 2021 our last distribution to Clients.

Cover Page-

Update contact information

- Telephone Number – 888-770-5370
- Email Address – WelshG@CalabashAsset.com

Item 4

- Add/Updated Advisory Services Offered (Page 5)
 - Add/Updated Wealth Management Services (Page 5)
 - Add/Updated Financial Planning Services (Page 6)
 - Add/Updated Client Account Management (Page 6)

Item 5

- Add/Updated Fees and Compensation (Page 7)
 - Add Wealth Management Services (Page 7)
 - Updated non-qualified client fees. (Page 7)

Assets Under Management (\$)	Annual Rate (%)
Up to \$250,000	1.50% +\$150
\$250,001 to \$500,000	1.25% +\$150
\$500,001 to \$1,000,000	1.15% +\$150
\$1,000,001 to \$4,000,000	1.00% +\$150
\$4,000,001 to \$5,000,000	0.90% +\$150
\$5,000,001 and over	Negotiable

Item 6

- Added language for Performance-Based Fees and Side-By-Side Management (Page 8)
- For qualified clients, Calabash will administer a performance fee will be equal to 20% of any gains as defined in the Client Agreement
- For qualified clients, the performance fee will be subjected to a hurdle rate of 5%

Item 7

- Removed minimum amount to invest of \$1000 (Page 10) – There is no minimum amount to invest with Calabash Asset Management LLC

Item 8

- Updated the Methods of Analysis, Investment Strategies and Risk of Loss (Page 11)
- Added Risk of Loss (Page 12)
 - Added language on Market Risks (Page 12)
 - Added language on Exchange Traded Funds (ETF) Risks (Page 12)
 - Added language on Mutual Fund Risks (Page 12)
 - Added language on Leverage. (Page 12)

Item 11

Updated Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- Added Code of Ethics (Page 13)
- Added Personal Trading with Material Interest (Page 13)
- Added Personal Trading in Same Securities as Clients (Page 13)
- Added Personal Trading at Same Time as Client (Page 13)

Item 12 –

Updated Brokerage Practices

Added/Updated language on “Aggregating and Allocating Trades”

Item 14 –

Updated Client Referrals and Other Compensation

- Updated language on Compensation Received by Calabash (Page 15)
- Updated language on Participation in Institutional Advisor Platform (Page 15)
- Updated language on Client Referrals from Solicitors (Page 15)

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 287793. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (888)-770-5370 or by email at WelshG@calabashasset.com

This is the updated Brochure for Calabash Asset Management, LLC - the following material changes are included in this update.

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Item 4 - Advisory Business

A. Firm Information

Calabash Asset Management, LLC (“Calabash”) is a registered investment advisor with the State of Maryland and is organized as a Limited Liability Company (“LLC”) under the laws of the State of Maryland. Calabash Asset Management LLC was founded in 2016 and is owned and operated by Glaister Welsh (Managing Director and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Calabash Asset Management LLC.

B. Advisory Services Offered

Calabash offers investment advisory services to individuals, high net worth individuals and pension and profit-sharing plans (each referred to as a “Client”).

Calabash serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, Calabash upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Wealth Management Services

Calabash provides Clients with wealth management services, which includes a broad range of financial planning and consulting services in connection with discretionary management of investment portfolios, pursuant to the terms of an agreement. Calabash’s wealth management services are specifically designed for our Qualified Clients (i.e., those clients who maintain at least \$1,000,000 in assets under management (“AUM”) with the firm or who have a net worth of \$2,100,000), where the Client will pay a lower AUM fee (compared to the AUM fee charged to Non-Qualified Clients) in addition to a performance fee. These services are described below. Calabash also offers wealth management services to Non-Qualified Clients, where Calabash will not assess a performance-based fee.

Investment Management Services

Calabash provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Calabash works closely with Clients to identify their investment objectives, risk tolerance and financial situation in order to create a prudent portfolio strategy. Calabash will then construct a portfolio, generally consisting of stocks, exchange-traded funds (“ETFs”) and/or bonds to help achieve the Client’s investment objectives. Calabash may retain certain legacy investments based on portfolio fit and/or tax considerations.

Calabash’s investment strategies are primarily long-term focused, but Calabash may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Calabash will construct, implement and monitor the Client’s portfolio in an attempt to ensure that the portfolio meets the objectives agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by Calabash.

Calabash evaluates and selects investments for inclusion in Client portfolios after applying its internal due diligence process. Calabash may recommend the redistribution of investment holdings to diversify the portfolio and may recommend specific positions to increase sector or asset-class weightings. Calabash can recommend employing cash positions as a possible hedge against market movement. Calabash may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or for any risk deemed as unacceptable for the Client’s risk tolerance.

Calabash’s Asset Management philosophy of seeking to invest in what we believe to be Exponential Growth Companies (EGCs) over a three- to five-year horizon and beyond. We offer five strategies that form the foundation of our Asset Management Services. These strategies result in the following portfolios; a large capitalization growth portfolio, a mid-cap growth portfolio, a small cap growth portfolio, a low volatility portfolio, and an international equity portfolio. Calabash constructs our bench-mark agnostic portfolios using a deliberate and focused investment methodology. Our portfolios are created with about a maximum of 70 to 75 holdings, each initially occupying no more than 1 to 2% of the total AUM. We invest in the equity securities of U.S.-based EGCs with a market capitalization of greater than \$10 billion at the time of initial investment. The investment strategy’s low-turnover approach may be best suited to investors who share our long-term

investment horizon.

Calabash makes every attempt to manage each model portfolio to be consistent with the investment objective (growth, balanced, or preservation) and risk tolerance (aggressive, moderate, or conservative), however, Calabash has great latitude to vary the allocations and holdings based on market conditions and investment opportunities. For example, in extreme market conditions, Calabash could move the client's portfolio to an all cash position.

When client accounts are managed using one or more of our models, investment selections are based on the underlying model-strategy. However, the determination to use a model is always based on each client's individual investment goals, objectives and mandates.

All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the agreement, please see Item 12 – Brokerage Practices.

Financial Planning Services

Calabash provides a variety of financial planning services to individuals and families as part of its investment management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Such financial planning services are based on the client's unique circumstances and needed. Services can involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, estate planning, personal savings, education savings, debt management, and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will often include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs, consult with their tax advisor or estate attorney, or pay down debt.

When appropriate and in the best interests of Clients, Calabash will refer Clients to an accountant, attorney or another specialist as appropriate for their unique situation. For certain financial planning engagements, Calabash will provide a written summary of the Client's financial situation, which will generally include observations, and recommendations. For consulting or ad-hoc engagements, Calabash may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a conflict between the interests of Calabash and the interests of the Client. For example, a recommendation to engage Calabash for investment management services or to increase the level of investment assets with Calabash would pose a conflict, as it would increase the advisory fees paid to Calabash. Clients are not obligated to implement any recommendations made by Calabash or maintain an ongoing relationship with Calabash. If the Client elects to act on any of the recommendations made by Calabash, the Client is under no obligation to implement the transaction through Calabash.

C. Client Account Management

Prior to engaging Calabash to provide investment advisory services, each Client is required to enter into one or more agreements with Calabash that define the terms, conditions, authority and responsibilities of Calabash and the Client. These services may include:

- Establishing an Investment Strategy – Calabash, in connection with the Client, will develop an investment strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – Calabash may develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Calabash may develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Calabash will provide investment management and ongoing oversight of the Client's investment portfolio.

D. Wrap Fee Programs

Calabash does not have a Wrap Fee Program

E. Assets Under Management

We manage and administer approximately \$3,100,000 as of February 10, 2022. This total is managed by Calabash as reported on the Calabash Form ADV Part 1A, Item 5.F. for regulatory purposes, all of which is managed on a discretionary basis.

F. Website

Calabash offers a proprietary online interactive website through which it provides investment advice to clients. The website is a computer software-based model that provides investment advice based on personal information each client submits through the website

Item 5 - Fees and Compensation

Wealth Management Services:

As described in item 4 above, wealth management services are provided exclusively to our "Qualified Clients". For Clients engaged under Calabash wealth management services, the Client will be charged a single combined fee for investment management and Calabash can provide more advanced planning or services. In addition, "Qualified Clients" are assessed a performance-based fee, pursuant to the execution of a performance-based investment advisory agreement as described in Item 6 below. Annual wealth management fees are assessed and billed quarterly, in-arrears, based on the market value of assets under management at the end of the most recent quarter based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
\$1,000,000 to \$4,000,000	1.0%
\$4,000,001 to \$5,000,000	0.90%
\$5,000,000 and over	Negotiable

Fees can vary from the above fee schedule depending on the nature and complexity of the Client's circumstances, or with the inclusion of financial planning or other services pursuant to the terms of the wealth management agreement.

Non-Qualified Client fees are based on the fee schedule below, where a performance fee will not be assessed. Calabash may choose to charge a separate fee for financial planning services based on the complexity and needs of the client, pursuant to the terms of the agreement. An estimate for the total costs will be determined prior to establishing the advisory relationship.

Assets Under Management (\$)	Annual Rate (%)
Up to \$250,000	1.50% +\$150
\$250,001 to \$500,000	1.25% +\$150
\$500,001 to \$1,000,000	1.15% + \$150
\$1,000,001 to \$4,000,000	1.00% + \$150
\$4,000,001 to \$5,000,000	0.90% + \$150
\$5,000,001 and over	Negotiable

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of Calabash. The Client's fees will take into consideration the aggregate assets under management with Calabash. All securities held in accounts managed by Calabash will be independently valued by the Custodian. Calabash will not have the authority or responsibility to value portfolio securities.

Financial Planning Services

Calabash also offers financial planning services as a separate engagement, either on an hourly basis or for a fixed fee per engagement. Hourly engagements are billed at a rate of up to \$250 per hour. Fixed fee engagements range up to \$25,000. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with

Calabash. An estimate for total hours and/or total costs will be provided to the Client prior to engagement for these services.

A. Fee Billing

Investment Management Services

Investment advisory fees are calculated by Calabash and deducted from the Client's account[s] at the Custodian. Calabash or its delegate shall send a statement from indicating the amount of the fees deducted from the Client's account[s] after the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management adjusted for deposits and withdrawals with Calabash after the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Calabash directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

B. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s].

All fees paid to Calabash for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Calabash, but would not receive the services provided by Calabash which are designed, among other things to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Calabash to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

C. Advance Payment of Fees and Termination

Investment Management Services

Calabash is compensated for its services at the end of the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. Upon termination the Client will be responsible for investment advisory fees up through and including the effective date of termination. The Client's investment advisory agreement with Calabash is non-transferable without the Client's prior consent.

Financial Planning Services

Calabash may be partially compensated for its financial planning services at the start of the engagement. Either party may terminate the financial planning agreement by providing advance written notice to the other party. Upon termination, the Client shall be billed for actual hours logged on the planning project multiplied by the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by CALABASH. Upon termination, any unearned, prepaid fees will be refunded to the Client. The Client's financial planning agreement with CALABASH is non-transferable without the Client's prior consent.

D. Compensation for Sales of Securities

Some of the advice offered by our advisor representatives involve investments in mutual fund products. Load and no-load mutual funds pay annual distribution charges sometimes referred to as 12b-1 fees. **However, our advisor representatives do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in fee-based Investment Management Services accounts.**

It is our practice to not select mutual funds that pay 12b-1 fees. Because we only receive advisory fees charged to clients, there is not an incentive for us to recommend investment products paying commissions and other fees when selecting

mutual funds and/or ETFs. Therefore, we primarily recommend no-load mutual funds and mutual funds priced at net-asset-value. Whenever possible, we utilize institutional fund share classes that provide the lowest internal fund expenses.

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

Calabash will receive a performance fee based on the capital gains obtained in the accounts of “Qualified Clients” pursuant to the terms an investment advisory agreement. Only Qualified Clients with either \$1,000,000 under management with Calabash or a net worth of \$2,100,000 can be charged a performance fee. Qualified Clients that are charged a performance fee will be charged a lower annual asset management fee (compared to Non-Qualified Clients).

The performance fee will be calculated, accounting for any deposits or withdrawals, at the close of each calendar year and deducted from Client accounts directly by the Custodian. The performance fee will be equal to 25% of any gains as defined in the Client Agreement and below:

- The portfolio return’s net outperformance of a 5% hurdle rate based on a calendar 12 month period.
- The 20% performance fee will be calculated based on a calendar 12-month period (the “Billing Period”), paid annually and assessed as of the close of business on the last day of the calendar year (the “Billing Date”), less any Client deposits and plus any withdrawals during the Billing Period. Our calculation consists of taking 20% of net-of-fee returns (e.g., a portfolio earning 20% return relative to the 5% hurdle rate be assessed a performance fee of 3% for the Billing Period in addition to the investment management fee). For Client Accounts opened mid-year, the performance fee will be based on the time- weighted return from inception, to the calendar year-end period, and annually thereafter.
- The portfolio’s returns and the subsequent impact of any cash inflows and outflows will be calculated using a "time-weighted" return method.

A performance fee in the first year of service is prorated to the inception date of the account to the end of the first year. Performance fee may be negotiable at the discretion of Calabash.

There are conflicts of interest Calabash faces by managing some client accounts on a performance-based fee arrangement at the same time as managing asset based, non-performance-based accounts. For example, the nature of a performance fee poses an opportunity for Calabash to earn more compensation than under a stand-alone asset-based fee. Consequently, Calabash could favor performance-based accounts over those accounts where we receive only an asset- based fee. This creates the incentive to devote more time and attention to performance-based accounts than to accounts under an asset-based fee-only arrangement. This would be incidental not intentional.

The nature of performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that results could equal higher returns when compared to an asset-based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, since in a performance fee arrangement an adviser is compensated based on capital gains or capital appreciation, these arrangements could give an investment adviser an incentive to time transactions in a client’s account on the basis of fee considerations rather than on what is in the best interest of the client.

Performance fees can cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value during a quarter and no performance fee will be earned. In the following quarter, Calabash may receive a performance fee for simply recouping losses from the previous year. Calabash controls for this conflict of interest by using a high-water mark fee calculation method.

Calabash does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by Calabash may be higher than the performance fees charged by other investment advisers for the same or similar services.

Calabash has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- Only clients that are able to assume additional risk are solicited to engage in a performance fee arrangement. Calabash provides such clients full disclosure of the additional risks associated with a performance fee arrangement.
- Client accounts eligible to be charged a performance-based fee must reach a pre-determined and agreed upon high-water mark before the performance-based fee is charged.

Performance based fee arrangements of Calabash will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to Calabash. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000 under management with Calabash at the time the client enters into an agreement with Calabash; or
- Provide documentation to Calabash so that Calabash will reasonably believe the client has either a net worth of \$2,100,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

Item 7 – Types of Clients

Calabash offers investment advisory services to individuals, high-net-worth individuals as well as to institutional clients. The assets managed and each type of Client is referenced on Calabash's Form ADV Part 1A. These amounts may change over time and are updated at least annually by Calabash. We do not impose a minimum investment amount or minimum account level; however, clients are required to execute an agreement for services.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss _____

A. Methods of Analysis

Calabash employs fundamental and quantitative analysis in developing investment strategies for its Clients. Research and analysis from Calabash are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Investments are deemed suitable if they meet certain criteria to indicate that they are a strong investment. While this type of analysis helps Calabash in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. Calabash monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on Calabash's review process are included below in Item 13 – Review of Accounts.

As noted above, Calabash generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Calabash will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Calabash may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

B. Risk of Loss

Investing in securities involves certain risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Calabash will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. Calabash shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to

validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform Calabash of any changes in financial condition, goals or other factors that may affect this analysis.

Many of the risks associated with a particular strategy are communicated to each Client in advance of investing Client accounts. Calabash will work with each Client to help determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with Calabash's strategies:

Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

Exchange Traded Funds (ETF) Risks

The performance of ETFs is subject to market risk, liquidity risk, political risk and business risk among other risks. All of these risks involve the possible loss of principal. The price of an ETF may or may not directly fluctuate with the price of the underlying securities that make up the fund. In addition, the price of an ETF will fluctuate based upon market movements and may disassociate from the index being tracked ("Tracking Error").

Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily; therefore, a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

Leverage.

Leveraging creates an opportunity for increased net income or capital appreciation but, at the same time, creates special risk considerations. Although the principal of borrowings underlying any leverage will be fixed, the value of a Client's account may change in value during the time the borrowing is outstanding. Since any decline in value of a Client's account will be borne entirely by the Client (and not by those persons providing the leverage to the Fund), the effect of leverage in a declining market would be a greater decrease in the value of a Client's account than if the Client were not so leveraged. Leveraging will create interest expenses for the Client, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from securities purchased with borrowed funds exceeds the interest the Client will have to pay, the Client's investment return will be greater than if leverage were not used. Conversely, if the investment return from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return in the Client's account will be less than if leverage were not used.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with Calabash.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Calabash or any of its Supervised Persons. Calabash and its investment adviser representatives value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov with searching by our firm name or our CRD# 287793.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Calabash nor Mr. Glaister E. Welsh is registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Moreover, neither are registered as nor have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

A. Code of Ethics

Calabash has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Calabash (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Calabash and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Calabash’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (888) 770-5370 or via email at WelshG@CalabashAsset.com

B. Personal Trading with Material Interest

Calabash allows its Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Calabash does not act as principal in any transactions. In addition, Calabash does not act as the general partner of a fund or advise an investment company. Calabash does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Calabash allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Calabash requiring reporting of personal securities trades by its Supervised Persons for review by a delegate or CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

D. Personal Trading at Same Time as Client

While Calabash allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Calabash or any Supervised Person of Calabash, transact in any security to the detriment of any Client.**

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Calabash does not have discretionary authority to select the broker dealer but we will recommend, and in some cases required, the use of a particular broker/dealer to serve as Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by Calabash and will not incur any extra fee or cost associated with using a Custodian not recommended by Calabash. However, Calabash may be limited in the services it can provide if the recommended Custodian is not utilized. Calabash may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the location of the Custodian’s offices. However, Calabash may be limited in the services it can provide if the recommended Custodian is not engaged.

Calabash recommends, and in some cases requires, that Clients establish their account[s] at Interactive Brokers LLC. (“IBKR”), a FINRA-registered broker-dealer and member SIPC. IBKR will serve as the Client’s “qualified custodian”. Calabash maintains an institutional relationship with IBKR, whereby Calabash does not receives economic benefits from IBKR.

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodians in exchange for research and other services. Calabash does not participate in soft dollar programs sponsored or offered by any broker- dealer/custodian. However,

Calabash receives certain economic benefits from the Custodian. Please see Item 14 below.

2. Brokerage Referrals - Calabash does not receive any compensation from any third-party in connection with the recommendation for establishing an account.

3. Directed Brokerage - All Clients are serviced on a “directed brokerage basis”, where Calabash will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. Calabash will not engage in any principal transactions (i.e., trade of any security from or to Calabash’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). Calabash will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable execution possible considering such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Calabash will execute its transactions through the Custodian selected by the Client. Calabash may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Glaister E. Welsh, Managing Director and Chief Compliance Officer of Calabash.

B. Causes for Reviews

In addition to the securities monitoring noted in Item 13.A. above, each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify Calabash if changes occur in the Client’s personal financial situation that might materially affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. Calabash may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation _____

A. Compensation Received by Calabash

Calabash will generally recommend that Clients establish their account[s] at IBKR, as described in item 12 above. IBKR will serve as the Client’s “qualified custodian”. Calabash maintains an institutional relationship with IBKR, whereby Calabash receives economic benefits from IBKR. Please see Item 12 above for additional information.

Participation in Institutional Advisor Platform

Calabash has established an institutional relationship with IBKR through its "IBKR Advisor Services" unit, a division of IBKR dedicated to serving independent advisory firms like Calabash. As a registered investment advisor participating on the IBKR Advisor Services platform, Calabash receives access to software and related support without cost because Calabash renders investment management services to Clients that maintain assets at IBKR. Services provided by IBKR Advisor Services benefit Calabash and many, but not all services provided by IBKR will benefit Clients. In fulfilling its duties to its Clients, Calabash endeavors to always put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence Calabash's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Services that Benefit the Client – IBKR's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through IBKR, Calabash may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, Calabash may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

Services that May Indirectly Benefit the Client – IBKR provides participating advisors with access to technology, research, discounts and other services. In addition, Calabash receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with IBKR. These services are intended to assist Calabash in effectively managing accounts for its Clients but may not directly benefit all Clients.

Services that May Only Benefit Calabash – IBKR also offers other services to Calabash that may not benefit the Client, including educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for Calabash to recommend IBKR, which results in a potential conflict of interest. Calabash believes, however, that the selection of IBKR as Custodian is in the best interests of its Clients.

Calabash is incentivized to utilize the brokerage platform and services of IBKR and to recommend that Clients establish accounts with IBKR due to financial support received from IBKR. Through the relationship with IBKR, Calabash received initial support payment for technology, marketing and compliance consulting-related expenses at the signing of the engagement and can receive additional support based on a specific amount of Client assets to be held in custody with IBKR. The receipt of any such compensation creates a financial incentive for Calabash to recommend IBKR as the Custodian for the assets in your account. This conflict is mitigated through disclosure and that Clients are not obligated to utilize Calabash's recommended Custodian. Additionally, as mentioned above, the Client may directly or indirectly receive other benefits through the engagement with IBKR. We encourage you to discuss any such conflicts of interest with us before deciding to custody your assets at IBKR.

B. Client Referrals from Solicitors

Calabash does not engage paid solicitors for Client referrals.

Item 15 - Custody

Custody, as it applies to investment advisers, has been defined by the SEC as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Calabash is given the authority from clients to deduct advisory fees directly from client accounts. Such authority is deemed to be custody as defined by the SEC. Calabash has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client (other than an affiliated person of Calabash) are also notified, in writing of the qualified custodian's name, address and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative (other than an affiliated person of Calabash), at least quarterly. Clients are strongly urged to compare any statements or reports from Calabash against the account statements received directly from qualified custodians.

Item 16 – Investment Discretion

Calabash will have written discretionary authority to determine the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Calabash. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Calabash will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client's Securities

Calabash does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. Calabash will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither Calabash, nor its management, have any adverse financial situations that would reasonably impair the ability of Calabash to meet all obligations to its Clients. Neither Calabash nor any of its investment adviser representatives, has been subject to a bankruptcy or financial compromise. Calabash is not required to deliver a balance sheet along with this Disclosure Brochure, as Calabash does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

Item 19 - Requirements for State Registered Advisers

Calabash currently has only one principal, Mr. Glaister E. Welsh. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement. Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual. Calabash is required to disclose the pertinent facts regarding any legal or disciplinary events material to a client's evaluation of Glaister E. Welsh. There are no civil, administrative, self-regulatory organization or arbitration proceedings to report. Neither Calabash, nor Mr. Glaister E. Welsh has any relationship or arrangement with issuers of securities. See Item 10 and 11 for further information.