

# Brochure

## TownSquare Capital, LLC

Traverse Ridge Center II  
3450 Triumph Boulevard  
Lehi, UT 84043  
(385)-375-8650  
[www.orion.com/OCIO](http://www.orion.com/OCIO)

This brochure provides information about the qualifications and business practices of TownSquare Capital, LLC. If you have any questions about the contents of this brochure, contact us at 385-375-8650. 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 TownSquare Capital, LLC (CRD/IARD # 288576) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

TownSquare Capital, LLC 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.

**Updated:** March 31, 2026

## Item 2 – Summary of Material Changes

This “Brochure” is dated March 31, 2026. Our last annual update was on March 31, 2025. Since our last update, we have made the following changes:

- Updated disclosures in Items 4, 5, 15 and 16 to provide clarity as to how discretionary authority is granted in our sub-advisory relationships and the authorization process used for fee deduction from Underlying Client accounts.
- Clarified the description of our trade error handling by revising and relocating the Trade Error Policy disclosure from Item 12 to Item 13.

Our December 5, 2025, update contained the following changes:

- Added that we may make available to our Primary Investment Adviser clients products and services from our affiliate, Redtail Technology, Inc., or that Redtail Technology, Inc. may provide discounts for its products and services to our Primary Investment Adviser clients.

Our July 22, 2025, update contained the following changes:

- Updated the Cover Page to list our new business address and add our website.
- Added a description of the Portfolio Audit Service offering and related fees to Items 4 and 5.
- Added information relating to the curated list of offerings we make available through the CAIS platform, as discussed in Item 10.

## Item 3 – Table of Contents

|                                                                                                      |    |
|------------------------------------------------------------------------------------------------------|----|
| Item 1 – Cover Page .....                                                                            | 1  |
| Item 2 – Summary of Material Changes .....                                                           | 2  |
| Item 3 – Table of Contents.....                                                                      | 3  |
| Item 4 – Advisory Business.....                                                                      | 4  |
| Item 5 – Fees and Compensation.....                                                                  | 7  |
| Item 6 – Performance-Based Fees and Side-By-Side Management.....                                     | 9  |
| Item 7 – Types of Clients .....                                                                      | 10 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 11 |
| Item 9 – Disciplinary Information.....                                                               | 16 |
| Item 10 – Other Financial Industry Activities and Affiliations .....                                 | 17 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 22 |
| Item 12 – Brokerage Practices.....                                                                   | 24 |
| Item 13 – Review of Accounts .....                                                                   | 27 |
| Item 14 – Client Referrals and Other Compensation .....                                              | 28 |
| Item 15 – Custody.....                                                                               | 29 |
| Item 16 – Investment Discretion .....                                                                | 31 |
| Item 17 – Voting Client Securities.....                                                              | 32 |
| Item 18 – Financial Information.....                                                                 | 33 |

## Item 4 – Advisory Business

### Description of Firm

TownSquare Capital, LLC (“TownSquare”) is a registered investment adviser primarily based in Lehi, UT. We are organized as a limited liability company (“LLC”) under the laws of the State of Utah. We have been providing investment advisory services since June 2017. TownSquare Capital, LLC is a wholly-owned, indirect subsidiary of Orion Advisor Solutions, Inc. (“Orion”). Investment entities controlled and managed by Genstar Capital Partners LLC and TA Associates, LLC and its affiliates own a majority interest of Orion and each of its subsidiaries, including us.

The following paragraphs describe our services and fees. As used in this brochure, the words “we,” “our,” and “us” refer to TownSquare Capital, LLC. The term “Primary Investment Adviser(s)” refers to the affiliated and unaffiliated third-party investment advisors who engage us to perform sub-investment advisory services. The term “Underlying Client(s)” refers to the end-investor whose funds we are managing at the direction of the Primary Investment Adviser, as delegated to us by the Primary Investment Adviser. The term “you” refers to the Primary Investment Adviser and those individuals in which we provide our services directly to as further described in [Item 7 – Types of Clients](#) of this brochure.

### Sub-Advisory Asset Management Services to Registered Investment Advisers

We offer sub-advisory services to Primary Investment Advisers per the terms and conditions of a written Sub-Advisory Agreement between us and the Primary Investment Adviser. This is sometimes referred to as Outsourced Chief Investment Officer, or OCIO services.

The Primary Investment Adviser maintains the direct relationship with the investor for whom we are managing assets (the “Underlying Client(s)”), and we manage these assets as delegated to us by the Primary Investment Adviser. At the request of the Primary Investment Adviser, our supervised persons, such as portfolio managers or investment strategists, may meet with Underlying Clients jointly with the Primary Investment Adviser.

The Primary Investment Advisers that engage our sub-advisory services maintain both the initial and ongoing day-to-day relationship with the Underlying Clients, including initial and ongoing determination of client suitability for the designated investment strategies selected for the Underlying Clients. Our obligation is limited to management of the allocated assets consistent with the objective and/or strategy designated by the Primary Investment Adviser. If the custodian/broker-dealer is determined by the Primary Investment Adviser, we will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the Underlying Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative clearing arrangements recommended by us. Higher transaction costs adversely impact account performance.

Our sub-advisory services involve discretionary asset management tailored to meet the Underlying Client’s needs and investment objective, based on the information provided to us by the Primary Investment Adviser. Subject to a grant of discretionary authorization by the Primary Investment Adviser, we have the authority and responsibility to formulate investment strategies on the Primary Investment Adviser’s behalf based on the information provided to us by the Primary Investment Adviser about the Underlying Client. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for the Underlying Client’s account without obtaining approval prior to each transaction. The Primary Investment Adviser may permit the Underlying Client to limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for the Underlying Client account). Once the Primary Investment Adviser communicates the restrictions and guidelines to TownSquare in writing, TownSquare is responsible for implementing such

communicated restrictions. TownSquare's ability to implement any such restrictions is subject to limitations, including (but not limited to) the constraints within any selected model, the size of the account(s) subject to the restrictions, the reasonableness and clarity of the restriction, and the availability of suitable alternative investment options. The Primary Investment Adviser is responsible for ensuring that the information TownSquare has regarding an Underlying Client is accurate and current, including their current address.

As part of our asset management services, in addition to other types of investments (see disclosures below in this section), we may invest Underlying Client assets according to one or more model portfolios developed by our firm and selected by the Primary Investment Adviser. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Once Primary Investment Adviser communicates restrictions on investing in certain securities or types of securities in their account, TownSquare may be prevented from investing in certain models that are managed by us.

The Primary Investment Adviser will also have access to the Destinations Mutual Fund program, which is a discretionary asset allocation program managed by TownSquare's affiliate, Orion Portfolio Solutions, LLC that uses mutual funds, including Destinations Funds (described below) to implement a variety of investment strategies with different risk and reward characteristics. In the Destinations program, a variety of asset allocation strategies are offered, each targeting a specific investment objective, for both taxable and tax-exempt account. The strategies provide different balances of risk and reward and the appropriate strategy may be chosen based on risk tolerance and time horizon as communicated by the Primary Investment Adviser. The strategies are designed to offer competitive performance while seeking to achieve attractive risk-adjusted returns over the long term. The Destinations Funds program offers risk-based mutual fund asset models, which are exclusively allocated across our affiliate's proprietary Destination's Funds ("Affiliated Funds").

### **Portfolio Audit Service**

Upon request of an eligible Primary Investment Adviser, we will conduct a review of an Underlying Client's or a prospect's existing portfolio. This service is typically limited to portfolios with a value of greater than \$1,000,000, though we may, at our discretion, offer this service for portfolios with a lower value. This will include a review of some or all of the following aspects of such Underlying Client or prospect's existing portfolio: asset allocation and diversification, portfolio structure and efficiency, portfolio risk, expense, and fixed income quality, maturity, and risk.

### **Pooled Investment Vehicles**

We are the manager of TownSquare WTI Opportunity I, LLC ("WTI Opportunity Fund"). The WTI Opportunity Fund is closed to new investors.

We are the manager of TownSquare Sundance Bay Opportunity I, LLC ("Sundance Bay Opportunity Fund"). The Sundance Bay Opportunity Fund is offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents.

### **House Accounts**

We may offer asset management services directly to employees and their relatives or close acquaintances, as well as legacy accounts that have not transitioned to another Primary Investment Adviser (i.e., House Accounts). The services are similar to those described above under the section entitled "Sub-Advisory Asset Management Services to Registered Investment Advisers."

### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities (other than commercial paper),

commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, options contracts on securities, options contracts on commodities, futures contracts on tangibles, futures contracts on intangibles, money market funds, real estate, REITs, PIPEs, derivatives, structured notes, ETFs, private placements, interests in partnerships investing in real estate, oil and gas.

Additionally, we may advise on various types of investments based on the Underlying Client's stated goals and objectives, as communicated to us by the Primary Investment Adviser. We may also provide advice on any type of investment held in the Underlying Client's portfolio at the inception of our sub-advisory asset management services.

### **Wrap Fee Programs**

In the event that we are engaged to provide investment advisory services as part of an unaffiliated wrap-fee program, we will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately.

### **Assets Under Management**

As of December 31, 2025, we provide continuous management services for \$18,072,280,303 in client assets on a discretionary basis, and \$0 in client assets on a non-discretionary basis.

## Item 5 – Fees and Compensation

### **Sub-Advisory Asset Management Services for Registered Investment Advisers**

Fees and payment arrangements are negotiable and will vary on a case-by-case basis as set forth in the Sub-Advisory Agreement. Fees are agreed upon between us and the Primary Investment Adviser based on the execution of a Sub-Advisory Agreement entered into between the Primary Investment Adviser and us. Fees payable to us are the obligation of the Primary Investment Adviser. Fees payable to the Primary Investment Adviser are the obligation of the Underlying Client. The frequency with which fees are assessed and the manner in which they are paid to us is determined by the Primary Investment Adviser. Depending on the arrangement, we may require the Underlying Client to grant us authorization through a fee authorization form to directly deduct the fees agreed to between the Primary Investment Adviser and the Underlying Client from their accounts.

The Primary Investment Adviser may terminate the agreement upon written notice to our firm. The Primary Investment Adviser will incur a pro rata charge for services rendered prior to the termination of the agreement, which means the Primary Investment Adviser will incur service fees only in proportion to the number of days in the billing period for which we managed assets as a sub-advisor for the Primary Investment Adviser. If the Primary Investment Adviser has pre-paid service fees that we have not yet earned, they will receive a prorated refund of those fees. If the Underlying Client has pre-paid advisory fees that have not yet been earned by the Primary Investment Adviser, it is the responsibility of the Primary Investment Adviser to ensure the Underlying Client receives a prorated refund of those advisory fees. In such instances, we may assist the Primary Investment Adviser in calculating the pre-paid advisory fees the Primary Investment Adviser owes to the Underlying Client on a prorated basis and remitting any payment owed.

### **Portfolio Audit Service**

The cost of Portfolio Audit Services are included as part of the fees the Primary Investment Adviser pays to us as sub-advisor.

### **House Accounts**

Fees charged to House Accounts are negotiable but will not exceed 3% annually of assets under management. Fees will be charged at a frequency and manner as determined via the investment advisory contract. In the event advisory services we offer are terminated and we have received unearned advisory fees, such fees will be refunded.

### **Pooled Investment Vehicles**

The fees charged by TownSquare WTI Opportunity I, LLC and TownSquare Sundance Bay Opportunity I, LLC are separate and apart from our advisory fees. Investors in these funds should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in each Fund. Persons affiliated with our firm may have made an investment in the fund. See [Item 10 – Other Financial Industry Activities and Affiliations](#) for more information.

### **Additional Fees and Expenses**

As part of our investment advisory services, we may direct the purchase of mutual funds and exchange traded funds, as well as exchange traded equities in Underlying Client accounts. The fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Underlying Clients will also incur transaction charges and/or brokerage fees when purchasing or selling securities, including but not limited to stocks or equities, bonds, exchange traded funds ("ETFs"), options, and mutual funds.

These charges and fees are typically imposed by the broker-dealer or custodian through which transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost that will be incurred, Primary Investment Advisers and Underlying Clients should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the [Item 12 – Brokerage Practices](#) section of this brochure.

Underlying Client accounts or House Account owners are permitted to have their accounts traded on margin upon request and approval by the Primary Investment Adviser. The Underlying Client or House Account owner must sign a separate margin agreement before margin is extended to an account owner. 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. While a negative amount may show on a statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we 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. See [Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss](#) for more information.

### **Compensation**

Our portfolio manager personnel compensation includes an annual base salary and a discretionary bonus, which may be based on various factors including performance metrics and firm profitability. Our sales personnel receive compensation based on new assets subject to our services and are eligible for bonuses based on redemptions or terminations. These compensation structures create an incentive for our financial professionals to recommend that Primary Investment Advisers increase the size of their Underlying Clients' assets managed by us or that House Account clients increase the size of their account(s) with us (or not terminate), even when alternatives exist. Certain professionals have an equity interest in our parent company, GT Polaris Holdings, LP, which creates a general incentive for these professionals to grow firm revenue, including through asset growth and platform utilization.

## **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 a capital gains or capital appreciation of an individual'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 [Item 5 – Fees and Compensation](#) of this brochure and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in any advisory account.

## Item 7 – Types of Clients

We offer sub-investment advisory services to affiliated and unaffiliated investment advisors registered at both the state and federal level in the U.S. The Primary Investment Adviser will allocate a portion, which may include all, of the assets of their Underlying Client and we will manage the assets based on the information and instructions provided to us about the Underlying Client from the Primary Investment Adviser. Underlying Clients may include individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, state or municipal government entities, other investment advisers, and corporates or business not otherwise listed.

We may offer our advisory services on a limited basis to employees and their families and close acquaintances.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate an account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

Investors in the TownSquare WTI Opportunity I, LLC Fund should refer to the WTI Opportunity Fund offering documents and/or organizational documents for information regarding the Fund's minimum required capital commitment and any additional qualifications required for investment.

Investors in the TownSquare Sundance Bay Opportunity I, LLC Fund should refer to the Sundance Bay Opportunity Fund offering documents and/or organizational documents for information regarding the Fund's minimum required capital commitment and any additional qualifications required for investment.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing our advisory services:

**Due Diligence Process of our Affiliate:** We may utilize the due diligence process of our affiliate, Orion Portfolio Solutions, LLC. For more information, please see Part 2A of the Form ADV for Orion Portfolio Solutions, LLC.

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Quantitative Analysis** – involves using mathematical models, statistical techniques, and computational algorithms to analyze financial data. It also involves examining data to identify patterns, trends, and correlations, building models to assess and mitigate risks, and selecting a mix of assets for portfolio management.

**Risk:** The risk of Quantitative Analysis arises from inaccurate assumptions or poor-quality data, leading to unreliable predictions. Additionally, overfitting occurs when models are too closely tailored to historical data, reducing their effectiveness for future predictions. Market changes can render models based on past data obsolete, as they may not account for sudden or unprecedented events.

**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 and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**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.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market invested in or perhaps just the particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**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.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Short Sales** - Unlike a straightforward investment in stocks where you buy shares with the expectation that their price will increase so you can sell at a profit, in a "short sale" you borrow stocks from your brokerage firm and sell them immediately, hoping to buy them later at a lower price. Thus, a short seller hopes that the price of a stock will go down in the near future. A short seller thus uses declines in the market to his advantage. The short seller makes money when the stock prices fall and loses when prices go up. The SEC has strict regulations in place regarding short selling.

**Risk:** Short selling is very risky. Extreme caution should be exercised before short selling is implemented. A short seller will profit if the stock goes down in price, but if the price of the shares increase, the potential losses are unlimited because the stock can keep rising forever. There is no ceiling on how much a short seller can lose in a trade. The share price may keep going up and the short seller will have to pay whatever the prevailing stock price is to buy back the shares. However, gains have a ceiling level because the stock price cannot fall below zero.

**Risk:** A short seller has to undertake to pay the earnings on the borrowed securities as long as the short position is open. If the company declares huge dividends or issues bonus shares, the short seller will have to pay that amount to the lender. Any such occurrence can skew the entire short investment and make it unprofitable. The broker can use the funds in the short seller's margin account to buy back the loaned shares or issue a "call away" to get the short seller to return the borrowed securities. If the broker makes this call when the stock price is much higher than the price at the time of the short sale, then the short seller can end up taking huge losses.

**Risk:** Margin interest can be a significant expense. Since short sales can only be undertaken in margin accounts, the interest payable on short trades can be substantial, especially if short positions are kept open over an extended period.

**Risk:** Shares that are difficult to borrow – because of high short interest, limited float, or any other reason – have “hard-to-borrow” fees. These fees are based on an annualized rate that can range from a small fraction of a percent to more than 100% of the value of the short trade. The hard-to-borrow rate can fluctuate substantially on a daily basis; therefore, the exact dollar amount of the fee may not be known in advance and may be substantial.

**Margin Transactions** - a securities transaction in which money is borrowed to purchase a security, and the security serves as collateral on the loan.

**Risk:** If the value of shares declines sufficiently, additional cash must be deposited into the account or a portion of the stock must be sold to maintain margin requirements. This process is referred to as a “margin call.” The overall risk includes both the funds invested and the amount borrowed.

**Option Writing** - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

**Risk:** Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

**Trading** - Frequent trading (in general, selling securities within 30 days of purchasing the same securities) may be used as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

**Risk:** When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

The investment strategies in a portfolio may vary depending on each Underlying Client's specific financial situation as communicated to us by the Primary Investment Adviser. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your or the Underlying Client's financial circumstances, including for example, a change in current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by the third party strategists and their portfolio managers. We may replace/recommend replacing a third party strategist if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

**Tax Considerations**

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 consult with a tax professional regarding the investing of your assets.

**Risk of Loss**

Investing in securities is inherently risky. An investment in mutual funds, exchange-traded funds, or stocks could lose money. We and the third party strategists cannot give any guarantee that securities will achieve their investment objectives or the securities will receive a return on or return of their investment. Although money market funds are considered low risk, they are affected by other types of risk, mainly interest-rate risk and inflation risk. The underlying value of the instruments within the money market fund may change depending on the direction of interest rates.

The value of an investment could decline and be worth less than the principal initially invested. And while a money market fund seeks a stable share price, its yield fluctuates. In addition, mutual funds are not insured or guaranteed by an agency of the U.S. government. Bond funds, unlike purchasing a bond directly, will not re-pay the principal at a set point in time.

Performance could be impacted by a number of different market risks including but not limited to:

**Loss of Capital**

All of our programs are subject to general market risk. Any investment in the securities is subject to risk of loss of capital. The value of the portfolio will fluctuate based upon changes in value of the underlying securities. Investments are not insured by the Federal Deposit Insurance Corporation.

**Interest Rate Risk**

Portfolios may change in response to the movement of interest rates. The price of a fixed income security will generally fall when interest rates rise, and vice versa.

**Manager Risk**

Performance may deviate from overall market returns if we or any unaffiliated strategist is either more defensive or more aggressive when the market is rising or falling, respectively.

**Credit Risk**

The value of a portfolio may change in response to changes in the credit ratings of the portfolio's securities. Generally, investment risk and price volatility increase as a security's credit rating declines.

**Derivatives Risk**

Derivatives, such as options, futures and swaps, can be volatile, and a small investment in a derivative can have a large impact on the performance of the portfolio. Other risks of investments in derivatives include imperfect correlation between the value of these instruments and the underlying assets; risks of default by the other party to the derivative transactions; risks that the transactions may result in losses that partially or completely offset gains in portfolio positions; and risks that the derivative transactions may not be liquid.

**Foreign Risk**

Foreign investments are subject to the same risks as domestic investments and additional risks, including international trade, currency, political, regulatory and diplomatic risks, which may affect their value. Also, foreign securities are subject to the risk that their market price may not reflect the issuer's condition because there is not sufficient publicly available information about the issuer.

**Leverage Risk**

Certain transactions, such as reverse repurchase agreements, dollar rolls, loans of portfolio securities, and the use of when-issued, delayed delivery or forward commitment transactions, may give rise to leverage, causing a portfolio to be more volatile than if it had not been leveraged.

**Liquidity Risk**

Certain securities eligible for investment by the portfolio may be deemed to be illiquid under applicable law. During periods of market turbulence or unusually low trading activity, in order to meet redemptions, it may be necessary for the portfolio to sell such securities at prices that could impact portfolio value.

**Alternative Investments**

Alternative investments, such as Private Equity Funds, non-traded Real Estate Investment Funds, Hedge Funds, and typically any security or investment that is not traded and priced on a daily basis, are speculative and involve substantial risks. It is possible that investors may lose some or all of their investment. Please review the offering documents for the risks associated with each alternative investment that you are considering for investment.

**Alternative Investment Mutual Funds**

Alternative investment mutual funds are speculative and involve substantial risks. It is possible that investors may lose some or all of their investment. Please review the mutual fund prospectus for the risks associated with each alternative mutual fund being considered for investment.

**Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each investor and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The above risks may not be all-inclusive but should be considered carefully before retaining our services.

## **Item 9 – Disciplinary Information**

Neither we nor any of our employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a Primary Investment Adviser or House Account owner's evaluation of us or our personnel.

## Item 10 – Other Financial Industry Activities and Affiliations

### Recommendation of Other Advisers

We may recommend the use of one or more third party strategist models based on the Underlying Client's needs as communicated to us by the Primary Investment Adviser. We will not receive separate compensation, directly or indirectly, from any strategist for recommending their services. We and our affiliate, Orion Portfolio Solutions, LLC, also provide strategist models that we may recommend.

The Primary Investment Adviser is responsible for ensuring any strategy or strategies in an Underlying Client's portfolio are suitable for such Underlying Client.

We may use the Orion Investment Portal to obtain and implement third party strategist models. The Orion Investment Portal is offered by our affiliated, Orion Portfolio Solutions, LLC. More information on the Orion Investment Portal can be found further in this section.

### Broker-Dealer Registrations

Brinker Capital Securities, LLC ("BCS") is a registered broker-dealer and an affiliate of TownSquare. Brinker Capital Securities, LLC acts as introducing broker under a clearing agreement with National Financial Services, LLC ("NFS"). We may manage accounts for Underlying Clients that are introduced to NFS through BCS. Neither we nor BCS receive any commission, mark-up, or mark-down income related to our accounts introduced to NFS by BCS.

### Other Registrations

Neither TownSquare nor any of its management persons are registered or have applications pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

### Transactions with Orion Affiliates

As discussed above, we are a subsidiary of Orion. The following direct and indirect subsidiaries of Orion are affiliates of us: Advizr, Inc. dba Orion Planning, Orion Advisor Technology, LLC ("OAT"), Constellation Trust Company ("CTC"), Brinker Capital Destinations Funds Trust ("Destinations Funds"), Brinker Capital Securities, LLC ("BCS"), Orion Portfolio Solutions, LLC dba Brinker Capital Investments, GxWorks, LLC dba Orion Risk Intelligence, BasisCode Compliance, LLC dba Orion Compliance, Redtail Technology, Inc, and Summit Wealth Systems, Inc. Certain of our executive officers also serve as officers and directors of these affiliates.

Orion Advisor Technology, LLC ("OAT"), Advizr Inc., Orion Risk Intelligence, and Redtail Technology, Inc. TownSquare utilizes the back-office system provided by OAT for trade processing, account management, and performance reporting for certain Programs. TownSquare or its affiliates also make available to its clients financial planning tools from Advizr, risk analytics tools from Orion Risk Intelligence, and Contact Relationship Management ("CRM") tools from Redtail Technology, Inc. Primary Investment Advisers also may use these tools and be customers of OAT, Advizr, Orion Risk Intelligence, and Redtail Technology, Inc., and may receive discounted fees for our services or the services of our affiliates based on the combination of services for which they engage us and our affiliates. TownSquare believes that the utilization of OAT, Advizr Orion Risk Intelligence, and/or Redtail Technology does not create a conflict of interest for TownSquare. However, such discounted fees for our services or the services of our affiliates creates a conflict for the Primary Investment Adviser when utilizing our services for Underlying Client.

Constellation Trust Company ("CTC") CTC is a Nebraska chartered trust company and an affiliate of TownSquare. Some of TownSquare's executive officers also serve as officers and directors of CTC. CTC's custodial services facilitate certain clients who desire a third-party investment adviser

such as us to manage their account(s). TownSquare and its affiliates may recommend CTC, among other custodians, to our clients.

Orion Portfolio Solutions, LLC ("OPS") OPS is an investment adviser registered with the SEC. OPS provides a fee-based investment platform that allows investment advisors the ability to develop their own model portfolios or utilize models provided by institutional portfolio strategists. We make certain strategies and model portfolios available through OPS. Additionally, certain operational services, such as trading and fee billing, for Underlying Client accounts are performed by employees of OPS. TownSquare also shares compliance systems, resources, and employees, including its Chief Compliance Officer, with OPS. OPS has a sub-advisory agreement in place with us to manage products available on its platform. Due to the fact that we are an affiliate, OPS has an incentive to utilize us as a sub-advisor.

OPS is the investment adviser for the Destinations Mutual Funds and OPS receives an investment advisory fee for this service, which presents a potential conflict of interest. The Destinations Mutual Funds are included in the Destinations strategies offered through our sub-advisory service. Additional information about such potential conflict of interest can be found in the Material Conflicts of Interest section of OPS's Form ADV Part 2A.

TownSquare has entered into agreements with OPS regarding certain programs offered by OPS to third party advisors. The following programs TownSquare has engaged OPS for are:

**Custom Indexing:** TownSquare has engaged OPS to provide Orion Custom Indexing to TownSquare and in turn, to make available to the Primary Investment Adviser. We may select among several customized portfolio options through Orion Custom Indexing. Orion Custom Indexing utilizes optimization technology to provide TownSquare with the ability to personalize portfolios, tax transition legacy assets, and tax loss harvest portfolios. In addition to managing against passive indexes, the program also offers the ability to overlay on top of proprietary and third-party portfolios. Portfolios are typically constructed of individual stocks but may also include ETFs and mutual funds depending on the specific mandate and any legacy assets incorporated into the client portfolio.

**Orion Investment Portal:** We may use model portfolios to recommend an investment strategy to the Primary Investment Advisers for the Underlying Clients. These model portfolios may be models we create, models created by our affiliate OPS, or models created by third party strategists. As part of our agreement with OPS, OPS has made available to us its Orion Investment Portal platform. Orion Investment Portal is an investment management platform that provides advisors such as TownSquare that utilize the Orion technology platform with access to third party strategist models for fixed income, equities, and alternatives. OPS receives compensation from third-party strategists whose model portfolios are available on the Orion Investment Portal

More information about OPS and the programs it offers is available in OPS's ADV Form Part 2A.

Orion Compliance Orion Compliance is a compliance management system owned and sold by our parent company. The cloud-based software platform provides core compliance functions including management of policies and procedures, employee trade monitoring, testing, and certifications. We utilize Orion Compliance as a technology solution for our compliance program.

### **Third Party Technology Services Arrangements**

We utilize the investment advisor technology platform created by our affiliate, Orion Tech. This platform is available to other, unaffiliated investment advisors and features integrated third-party services available through unaffiliated financial technology providers, creating integrated services available to users of Orion Tech (including us). Through Orion Tech's arrangements with such third party technology providers, Orion Tech receives revenue based on the usage of the third-party service through its platform. While such third-party services are typically integrated into the Orion Tech technology experience for ease of use, users of Orion Tech's technology services are not prevented from choosing alternative providers. Nevertheless, the inclusion of certain third-party service providers on Orion Tech's platform for which Orion Tech receives revenue for the services it provides to support the integration creates a conflict as we are encouraged to refer or recommend those services which would generate more revenue for Orion Tech. Such services are discussed in detail below.

### **DPL Financial Partners**

DPL Financial Partners ("DPL") is a financial service provider that coordinates the provision, either directly or through its associated and licensed broker-dealer, of certain insurance products, including annuities. DPL supports such activities through the use of a web-based platform and certain associated Product Tools (collectively, the "DPL Platform"), as well as through relationships that DPL has established with certain insurance carriers that offer Insurance Products. DPL offers the use of its insurance services through a membership program. DPL is unaffiliated with us or any of our affiliates.

Our affiliate, Orion Tech, has entered into an arrangement where DPL will share a portion of the membership fee paid to it by any investment advisor referred to DPL by Orion Tech. DPL will also pay a technology support fee to Orion Tech for its efforts in supporting the integration with the DPL Platform. We do not receive any portion of these fees. There is a conflict as the Primary Investment Adviser which uses our advisory services described in this brochure may also use the technology services of Orion Tech, and Orion Tech may receive revenue from DPL if the Primary Investment Adviser was referred to DPL by Orion Tech and became a member of DPL.

Neither we nor Orion Tech, nor any of our affiliates, is involved in the solicitation or sales of the insurance products through the DPL Platform.

### **Capital Integration Systems**

Capital Integration Systems ("CAIS"), itself and through its subsidiaries, offers a platform for the purchase of private placements and other non-traded assets. CAIS is unaffiliated with us or any of our affiliates. Our affiliate, Orion Tech, has entered into an arrangement where CAIS will pay Orion Tech a fee based on the value of the assets held by clients of investment advisors who utilize Orion Tech's technology, including our Underlying Clients. Orion Tech will receive no fee until the value of such assets exceeds \$100 million, and the size of the fee will increase until the value of such assets exceeds \$500 million, at which time the fee will not increase. However, as the fee is based on the value of the assets on the platform, the amount of revenue received by Orion Tech will increase as the value of such assets (either by market gain or additional sales) will increase. We do not receive any portion of this fee.

Primary Investment Advisers who use our advisory services described in this brochure may also recommend that Underlying Clients allocate a portion of their assets to one or more offerings available on the CAIS platform. In addition, as part of our sub-advisory services offered to Primary Investment Advisers, Primary Investment Advisers may engage us to provide a curated list of offerings on the CAIS platform for which we have conducted due diligence. Such curated list would be provided as part of the fee we receive as sub-advisor. This creates a conflict for us as Orion Tech may receive revenue from CAIS if Primary Investment Advisers recommended that the Underlying Client invest in any offering on the CAIS platform through our platform.

### **Orion Cash and Credit**

Orion Cash and Credit offers third-party financial advisors who utilize the OPS and BCI platforms access to an array of banking and lending solutions and related services. These services are offered to OPS and BCI clients by Uptiq, Inc. (“Uptiq”) through an integration with the platform of our affiliate, Orion Tech. Orion Tech, will receive a fee for Orion Tech clients who are referred to Uptiq’s platform.

Financial advisors that utilize the Uptiq integration to the Uptiq platform, including advisors who use the OPS or BCI Platforms, will have access to Uptiq’s financial institution partners that offer the lending- and deposit-related products listed below (collectively, the “Financial Products”). In each case, access to the Financial Products is made available to a financial advisor so that the financial advisor may identify one or more selected banking institutions that can offer to the client certain Financial Products desired by the client. Such Financial Products currently consist of the following:

- Mortgage Loans — Loans relating to residential purchases, refinancing, HELOC, and construction loans;
- Working Capital — Corporate, commercial, and business working capital, expansion and acquisition lines of credit and loans;
- Commercial Real Estate — Commercial real estate, multifamily and other owned occupied properties;
- Securities Backed Lines of Credit (SBLOC) — Automated and highly competitively priced non-purpose securities backed lines along with lines secured by selective private and alternative investments;
- Specialty Lending — Premium financing, fund call and operating lines of credit, along with others;
- Watercraft and Aircraft Lending — New and used watercraft and/or aircraft purchases and refinancing; and

FDIC Insured Deposit Program — In-portfolio cash balances, held away debit/transactional cash and outside client cash savings with \$2 to \$100 million of insurance per tax ID.

### **Flourish Financial, LLC**

Flourish Financial, LLC (“Flourish”) offers a platform for Investment Advisors to assist in managing their client’s cash held in checking, savings, or similar banking products. Flourish is unaffiliated with us or any of our affiliates. Our affiliate, Orion Tech, has entered into an arrangement where Flourish will pay Orion Tech a fee based on the value of the balances held by clients of investment advisors who utilize Orion Tech’s technology, including our clients.

A Primary Investment Adviser which uses our advisory services described in this brochure may also use the technology services of Orion Tech, and may recommend that Clients utilize the services of Flourish.



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

### Description of Our Code of Ethics

We have adopted a Code of Ethics (the “Code”) which meets the requirements of Rule 204A-1 promulgated under the Investment Advisers Act of 1940. The Code sets forth a standard of business conduct required of all of our employees (which includes all of our officers, directors, and employees as well as any other person who provides advice on our behalf and is subject to our supervision and control). We effectively treat each employee as an “access person” as defined in Rule 204A-1. Our employees do not include employees of unaffiliated strategists or Primary Investment Advisers, each of whom is required to adopt its own code of ethics applicable to these individuals.

The Code is based, in part, upon the principle that we and our employees owe a fiduciary duty to Primary Investment Advisers and House Account owners. Each employee must act in a manner as to avoid (1) placing his or her own personal interests ahead of those of Primary Investment Advisers and House Account owners; (ii) taking inappropriate advantage of his or her position with us; and (iii) any actual or potential conflicts of interest or any abuse of his or her position of trust and responsibility.

The Code provides that employees and members of their households may not:

- trade in any security while in possession of material nonpublic information about the issuer of a security;
- communicate material nonpublic information about any publicly traded issuer of any securities to anyone else except in the ordinary course of his or her employment-related duties;
- disclose to other persons the securities activities engaged in or contemplated for Primary Investment Advisers’ and House Account owners’ portfolios assigned to our services; or
- disclose the holdings in a Primary Investment Advisers’ and House Account owners’ portfolios assigned to our services’ portfolios (except, in the case of any employee of us or any of our affiliates, as required to carry out his or her employment-related duties to Primary Investment Advisers’ and House Account owners’ portfolios assigned to our services or as required by applicable securities laws).

In addition, each employee must:

- conduct all of his or her business activities in accordance with the requirements of the Code and consistent with our fiduciary duties to Primary Investment Advisers’ and House Account owners’ portfolios assigned to our services;
- comply with all applicable federal securities laws;
- promptly report any violations of the Code to our Chief Compliance Officer or Compliance Department; and
- annually certify that he or she has received, read and understands the Code, has complied with all requirements of the Code and disclosed all personal securities transactions required pursuant to the Code.

Each employee has already furnished to our Compliance Department a list of all securities required to be reported under the Rule in which either such employee or members of his or her household own a beneficial interest (“Reportable Securities”), which list must be updated annually. In addition, by the thirtieth day following each calendar quarter, each employee must provide our Compliance Department with reports of all Reportable Securities transactions during such quarter.

We have no direct or indirect control over the investment decision-making process of unaffiliated

strategists. Accordingly, since our employees are generally not aware of investment decisions of unaffiliated strategists, our employees may buy or sell for their personal accounts securities which are recommended by strategists for Primary Investment Advisers and House Account owners portfolios assigned to our services' accounts. However, if we receive confidential information regarding an issuer from a strategist, we may establish a restricted list for such securities. Employees are prohibited from personally, or on behalf of a household member, purchasing any securities on a restricted list. In the event that an employee owns a security that was purchased prior to being placed on the restricted list, the employee must obtain approval (pre-clearance) from the Chief Compliance Officer prior to entering any securities transaction in their personal accounts for the sale of that security.

In addition, each employee must receive prior approval from our Chief Compliance Officer or their designee for (i) any purchase of securities in an initial public offering or a limited offering for the benefit of such employee or member of his/her household or (ii) serving on the boards of directors of any public corporation.

Employees are also subject to restrictions on giving gifts to, or receiving gifts from, certain persons and in dollar amounts that exceed a certain de minimis amount.

A copy of the Code is available, upon request, by contacting us at (800) 379-2513.

### **Participation or Interest in Client Transactions**

We serve as the Manager of two separate private funds, TownSquare WTI Opportunity I, LLC and TownSquare Sundance Bay Opportunity I, LLC, private funds (private pooled investment vehicles). Our Company, certain members of its management, and other knowledgeable employees may acquire, directly or indirectly, investment interests in our fund or have other financial interests (e.g. General Partner, Officers, Board Members, etc.) in the funds. This presents a conflict of interest because we have investments in the private funds. Conflicts that arise are mitigated through our Company's fiduciary obligation to act in the best interest of our clients, contractual limitations that govern our activities as Manager, as applicable, and the requirement of our Company not to place its interests before its clients' interests when managing the funds.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which your Underlying Clients are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of your Underlying Clients and potentially receive more favorable prices than they will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your accounts in the purchase or sale of securities.

### **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## Item 12 – Brokerage Practices

The Primary Investment Adviser and House Account owners will direct us to use specific brokerage and custodial services for us to provide our investment advisory services. We have technological arrangements with Trade-PMR, Inc. National Financial Services, LLC, Fidelity Investments, LLC and/or Charles Schwab & Co., Inc. ("CS&Co"), collectively the ("Custodian").

### **Trade-PMR, Inc.**

We utilize Trade-PMR, Inc. ("Trade-PMR") for brokerage and trade execution services. Trade-PMR clears trades and custodies assets with First Clearing, FINRA member broker-dealers. First Clearing is a trade name used by Wells Fargo Clearing Services, LLC., a non-bank affiliate of Wells Fargo & Company. Trade-PMR acts as an introducing broker dealer on a fully disclosed basis. Trade-PMR and First Clearing are members of SIPC, are unaffiliated registered broker dealers, and are FINRA members. The brokerage commissions and/or transaction fees charged by Trade-PMR or any other designated broker-dealer are exclusive of and in addition to our fee. We regularly review these programs to seek to ensure that their recommendations are consistent with their fiduciary duty. Factors which we consider in recommending Trade-PMR and First Clearing or any other broker-dealer or custodian to Underlying Clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by these brokers may be higher or lower than those charged by other broker-dealers.

In addition, Trade-PMR provides us with access to its institutional trading and custody services, which are typically not available to retail investors. These brokerage services include the execution of securities transactions, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Additionally, we may receive the following benefits from Trade-PMR: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocates the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Charles Schwab & Co., Inc.**

We believe that CS&Co provides quality execution services for Underlying Clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Schwab Advisor Services (formerly called Schwab Institutional), including the value of research provided, the firm's reputation and financial stability, execution capabilities, commission rates, and responsiveness to our clients and our firm.

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our Underlying Clients, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Underlying Clients. CS&Co's services described in this paragraph generally benefit the Underlying Client and the Underlying Client's account. CS&Co also makes available to us other products and services that benefit us but may not directly benefit the Underlying Client or its account. These products and services assist us in managing and administering our Underlying Clients' accounts. They include

investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

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

CS&Co also offers other services intended to help us manage and further develop our business enterprise. The availability of the foregoing products and services is not contingent upon us committing to CS&Co any specific amount of business (assets in custody or trading). Our firm receives PortfolioCenter software solutions that are provided by Schwab Performance Technologies.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platforms of the Underlying Client's account Custodian. As such, we will also have access to research products and services from the Underlying Client's account Custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you and the Underlying Client should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Recommendation of Prime Broker**

In some circumstances, where an Underlying Client has not previously made custodial arrangements, we may suggest that the Underlying Client use a particular broker-dealer to act as custodian for the funds and securities we manage. In those cases, we generally only recommend broker-dealers capable of acting as a "prime broker." Under "prime broker" arrangements, the firm may, on a transaction-by-transaction basis, either use the "prime broker"/custodian or select other broker-dealers, who will execute transactions for settlement into the Underlying Client's "prime brokerage" account. In making suggestions as to "prime broker"/custodians, we will consider, among other things, the clearance and settlement capabilities of the broker-dealer where other broker-dealers execute transactions, the broker-dealer's ability to provide effective and efficient reporting to the client and our firm, the broker-dealer's reliability and financial stability, and the likelihood that the broker-dealer will often be chosen as executing broker-dealer on the basis of the considerations described above, including the prospects that the broker-dealer will provide valuable research services and products.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If the Underlying Client chooses to direct our firm

to use a particular broker, the Underlying Client should understand that this might prevent our firm from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on the Underlying Client's behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, the Underlying Client 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 the Underlying Client.

**Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary 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. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, 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. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with Underlying Client accounts; however, they will not be given preferential treatment.

## Item 13 – Review of Accounts

We will monitor Underlying Client accounts on an ongoing basis to ensure the advisory services provided are consistent with the investment needs and objectives of you and the Underlying Client. The Primary Investment Adviser will meet with the Underlying Client at a frequency to be determined by the Primary Investment Adviser to ensure the services provided by us are still appropriate for the Underlying Client based on any changes to the Underlying Client's investment objective or financial situation.

For House Accounts, we will continue to manage the account in accordance with previously agreed upon investment management styles unless and until instructed otherwise by the account owner or their designee.

### **Trade Error Policy**

We have internal controls for the prevention of trade or model portfolio allocation errors, however, on occasion, errors may occur. We recommend that the Primary Investment Adviser regularly review the Underlying Client's custodial statements and House account owners review their custodial statements for accuracy. The Primary Investment Adviser or House account owner has 45 days from the statement date to notify us of the existence of an error.

Upon notification, we will perform an analysis of the reported discrepancy. If TownSquare is responsible for the error, we will seek to correct the error in a way that returns the impacted account to where it would have been had the error not occurred. In the event an error results in a gain, the Primary Investment Adviser or the account custodian will determine who retains the gain.

If we are notified of a potential error more than 45 days after the statement date and TownSquare is responsible for the error, TownSquare will attempt to correct error in a way that returns the impacted account to where it would have been had the error not occurred. The Primary Investment Adviser is responsible for reimbursing the impacted party for any damage caused by errors. For House account clients, TownSquare is responsible for reimbursing the impacted party for any damage caused by an error from the date of the error through 45 days after the statement date. Any loss after such time frame is the responsibility of the impacted party.

We maintain a record of identified errors, including details of the original transaction and the corrective actions.

## Item 14 – Client Referrals and Other Compensation

As noted in [Item 12 – Brokerage Practices](#) of this brochure, we will receive additional benefits from Trade-PMR which includes electronic systems that assist in the management of our client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting

We receive economic benefits from Schwab in the form of the support products and services Schwab makes available to us and other independent investment advisors that have their clients maintain accounts with them. These products and services, how they benefit us, and the related conflicts of interest are described in [Item 12 – Brokerage Practices](#) of this Brochure. The availability to us of these products and services is not based on our giving particular investment advice, such as buying particular securities for Underlying Clients.

Our affiliate Orion Portfolio Solutions, LLC, may receive referrals from third party registered investment advisors and may delegate some or all of the investment management to us through a sub-investment advisory arrangement. We do not receive any more or less compensation for such arrangements.

### **Referral Arrangements**

Certain third-parties may refer prospective advisory firms to us under formal referral arrangements, for which they receive a referral fee. Compensation is determined as a percentage of the revenue generated from the advisory firm referred by such third parties. Further details regarding such compensation, along with other pertinent information about the referral fee, are disclosed in a referral disclosure statement provided at the time of referral.

## Item 15 – Custody

As paying agent for our firm, the Underlying Client's independent Custodian, at our direction, may directly debit their account(s) for the payment of their advisory fees to the Primary Investment Adviser, a portion of which will be retained by us as directed by the Primary Investment Adviser for payment as sub-advisor for the Underlying Client's account. This ability to deduct advisory fees from Underlying Client accounts causes our firm to exercise limited custody over Underlying Client funds or securities. We do not have physical custody of any Underlying Clients' funds and/or securities. Underlying Client funds and securities will be held with a bank, broker-dealer, or other qualified Custodian. When we have limited authority to direct the Custodian to deduct fees, we will calculate the fees that are owed and communicate such amounts to the Custodian. The Primary Investment Adviser is responsible for ensuring that the Underlying Clients receive account statements from the qualified Custodian(s) holding their funds and securities at least quarterly. The account statements from the Custodian(s) will indicate the amount of our advisory fees deducted from Underlying Client account(s) each billing period. Primary Investment Advisers should advise the Underlying Clients to carefully review account statements for accuracy.

We are deemed to have custody of the assets for the two Private Funds we manage (TownSquare WTI Opportunity I, LLC and TownSquare Sundance Bay Opportunity I, LLC). All funds and securities, where applicable, are held with the qualified Custodian, and all asset movements are processed through the Fund Administrator. We adhere to the applicable requirements of Rule 206(4)-2 under the Advisers Act (the "Custody Rule") for Private Fund Advisers as stated: Our Chief Compliance Officer or designee will be responsible for arranging for the annual independent audit of each Fund by an independent auditor in accordance with generally accepted accounting principles, and for delivery of the Fund's audited financial statements to the investors in such Fund within 180 days of such Fund's fiscal year end, as required under the Custody Rule. If the Underlying Client is a Fund investor and have questions regarding the financial statements or if the Underlying Client did not receive a copy, contact us directly at the telephone number on the cover page of this brochure.

### **Wire Transfer and/or Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

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

In the event we do not meet the above criteria, we will obtain a surprise annual audit on the Underlying Client's assets.

## **Item 16 – Investment Discretion**

Before we can submit instructions for the buying or selling of securities on behalf of an Underlying Client, the Primary Investment Adviser must first grant us such authority in writing.

## Item 17 – Voting Client Securities

The Underlying Client has the right to vote proxies for securities held in their account. The Underlying Client is responsible for ensuring arrangements are in place for the Custodian to deliver proxy ballots and related shareholder communications to the Underlying Client. The Underlying Client is responsible for taking any actions.

We may agree to vote proxies and other securities materials for Underlying Clients if the Underlying Client grants such authority to their Primary Investment Adviser and the Primary Investment Adviser delegates such authority to us in writing. If we have such voting authority, we will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for the Underlying Client. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from the Underlying Client, we will not base votes on social considerations.

In the event the Underlying Client wishes to direct our firm on voting a particular proxy, the Underlying Client should contact their Primary Investment Adviser with their instruction.

Conflicts of interest between you and our firm, the Underlying Client and our firm, or you and a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to the Underlying Client, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for the Underlying Client (for example, where an Underlying Client holds different securities in a competitive merger situation); or, we will take other necessary steps designed to ensure that a decision to vote is in the Underlying Client's best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. The Underlying Client may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

We do not vote proxies for House accounts.

## **Item 18 – Financial Information**

### **Audited Balance Sheet**

The requirement to provide an audited balance sheet is not applicable to us as we do not require any fees to be paid six months or more in advance.

### **Financial Condition**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients and have not been the subject of a bankruptcy proceeding.