

Part 2A of Form ADV: *Firm Brochure*

CTS Consulting, LLC

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February 1, 2024

This brochure provides information about the qualifications and business practices of CTS. If you have any questions about the contents of this brochure, please contact us at 701-361-1782 or chad@cts-advisors.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 CTS also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 144139.

Item 2 Material Changes

This Firm Brochure, dated February 1, 2024, provides you with a summary of CTS Consulting, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform you of the revision(s) based on the nature of the information as follows.

1. *Annual Update:* We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. *Material Changes:* Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

Item 4: This item has been revised to reflect the amount of regulatory assets being managed by CTS as of December 31, 2023.

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Item 4 Advisory Business

CTS Consulting, LLC (hereinafter "CTS") is a state-registered investment adviser with its principal place of business located in Dilworth, Minnesota. CTS began conducting business in 2007.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Chad Thomas Sapa, Managing Member

CTS offers the following advisory services to our clients:

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Commercial paper
- Municipal securities
- Mutual fund shares (No-load)
- Options contracts on securities
- Corporate debt securities (other than commercial paper)
- Interests in partnerships investing in real estate
- Securities traded over-the-counter
- Certificates of deposit
- Fixed or Variable annuities
- United States governmental securities

- Interests in partnerships investing in oil and gas interests

Investment advice may be offered on any investments held by a client at the start of the advisory relationship; recommendations for new investment will typically be limited to those listed above.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

CTS also provides accounting and/or tax planning services on a limited basis to certain advisory clients who retain CTS for portfolio management services. The fees typically charged for this service may be reduced or waived by CTS at its discretion.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of December 31, 2023, we were actively managing \$27,419,014 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Individual Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<u><i>Assets under Management</i></u>	<u><i>Annual Fee</i></u>
\$0 to \$500,000	0.95%
\$500,001 to \$2,000,000	0.85%
\$2,000,001 to \$4,000,000	0.75%
Above \$4,000,000	Negotiable

CTS requires a non-negotiable minimum annual fee of \$500; consequently, accounts of less than \$52,625 will pay fees higher than 0.95%. However, CTS will ensure that advisory fees will never exceed 3.00% of the client's assets under management. The fees are billed in arrears on a quarterly basis. Fees will be assessed at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous billing period. Fees are debited from the client's account in accordance with the client authorization in the Client Services Agreement.

Limited Negotiability of Advisory Fees: Although CTS has established the aforementioned fee schedule(s), we retain the discretion to reduce or waive certain advisory fees. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the investment contract between our firm and each client.

CTS may group certain related client accounts for the purposes of determining the annualized fee. CTS also reserves the right to reduce or waive advisory fees for services provided to family members and friends. Such rates are not available to all of CTS' advisory clients.

CONSULTING SERVICES FEES

CTS' Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Consulting fees will be calculated based on a charge of \$125.00 per hour. The length of time it will take to provide consulting services will depend on each client's personal situation. All fees are agreed upon prior to entering into a contract with any client. Fees are due and payable upon completion of the service.

The hourly fee may be reduced or waived if a consulting client chooses to engage CTS for its investment management services.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Mutual Fund Fees: All fees paid to CTS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders.

These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

CTS does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets).

Item 7 Types of Clients

CTS provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Margin transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option

purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls," in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy," in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Chad Sapa, in his individual capacity, is a licensed certified public accountant. In addition to providing the advisory services described in Item 4, he may sell other services or products to advisory clients through CTS. Accounting and/or tax planning services provided by Mr. Sapa are separate and distinct from the advisory services provided by CTS, and are provided for separate yet customary compensation. CTS, however, retains the discretion to reduce or waive such fees for those clients who retain CTS for portfolio management services.

No CTS client is obligated to use Mr. Sapa for any accounting and/or tax planning services, and no accounting/tax client is obligated to utilize the advisory services of CTS. Mr. Sapa's accounting services do not include the authority to sign checks or otherwise disburse funds on any advisory client's behalf.

In addition, Mr. Sapa is the Chief Financial Officer for the Cass County Electric Cooperative, Inc. Mr. Sapa spends the majority of his time fulfilling his responsibilities as the CFO. CTS does not provide advisory services to this entity, nor will advisory clients be solicited to invest in this cooperative.

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

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.

- All related persons of CTS must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Item 12 Brokerage Practices

CTS does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As our firm does not have nor will we accept the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct CTS as to the broker-dealer to be used.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of one of several brokers (including, but not limited to Charles Schwab & Co, Inc), provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate these brokers before opening an account. The factors we consider when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors. Clients are not under any obligation to effect trades through any recommended broker.

Charles Schwab & Co, Inc. is a FINRA member, SEC registered broker-dealer. Neither CTS nor Mr. Sapa is affiliated with Charles Schwab & Co, Inc. CTS has evaluated Charles Schwab & Co, Inc and believe that these firms will provide our clients with a blend of execution and custodial services, commission costs and professionalism that will assist us in meeting our fiduciary obligations to clients. Charles Schwab & Co, Inc offer services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. CTS receives some benefits from these firms through our participation in their programs, including, but not limited to:

- access to an electronic communications network for client order entry and account information;
- account-by-account trading and account information
- portfolio analysis tools
- access to a wide range of security types;
- independent research from leading sources, and
- the ability to have advisory fees deducted directly from client accounts

We reserve the right to decline acceptance of any client account for which the client directs the use of other brokers if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Charles Schwab & Co, Inc, it

should be understood that CTS will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved.

In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). CTS will, however, periodically attempt to negotiate lower commission rates for its clients with these broker-dealers.

Clients should note, while CTS has a reasonable belief that Charles Schwab & Co, Inc are able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use specific broker-dealers.

As a matter of policy and practice, CTS does not block client trades; rather, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Item 13 Review of Accounts

INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

All client accounts are reviewed by Chad Sapa, Managing Member of CTS.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide written quarterly reports summarizing account performance, balances and holdings.

CONSULTING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: Consulting Services clients will not receive any regular reports other than those reports contracted for at the inception of the consulting engagement or as may be requested by a client.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm does not pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us.

OTHER COMPENSATION

It is our firm's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

CTS requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

Clients give us discretionary investment authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As previously disclosed in Item 5 (Fees and Compensation), CTS collects its advisory fees in arrears. Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered.

CTS is a state-registered adviser with its principal place of business in Minnesota. Because we provide discretionary asset management services, MN regulations impose additional financial obligations on our firm, requiring CTS to either provide an audited financial statement or maintain a surety bond in the amount of \$25,000. As disclosed in Form ADV Part 1B, CTS maintains the requisite surety bond. Furthermore, as an advisory firm that maintains discretionary authority for client accounts, we are also obliged under the new Form ADV reporting requirements to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. CTS has no such financial circumstances to report; nor has CTS been the subject of any bankruptcy petition at any time.

Item 19 Requirements for State-Registered Advisers

Chad T. Sapa is the sole owner and Managing Member of CTS, with full responsibility for the determination and implementation of all investment advisory services provided to clients of CTS.

Information regarding his formal education and business background is provided in his attached Brochure Supplement.

Please refer to Item 10, "Other Financial Industry Activities and Affiliations", for information regarding Mr. Sapa's other business activities.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in

which our firm or management personnel were found liable or against whom an award was granted.

Neither CTS nor Chad Sapa have any disciplinary history to disclose.

As reflected in "Other Financial Industry Activities and Affiliations" (Item 10), neither CTS nor Mr. Sapa have a relationship or arrangement with any issuer of securities.

Part 2B of Form ADV: *Brochure Supplement*

Chad T. Sapa

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February 1, 2024

This brochure supplement provides information about Chad T. Sapa that supplements the CTS Consulting, LLC ("CTS") brochure. You should have received a copy of that brochure. Please contact Chad Sapa if you did not receive CTS Consulting, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Chad Sapa is available on the SEC's website at www.adviserinfo.sec.gov. **You can search this site by a unique identifying number, known as a CRD number. The CRD number for Chad Sapa is 5354191**

Item 2. Educational Background and Business Experience

Full Legal Name: Chad Thomas Sapa **Born:** 1964

Education

- Minnesota State University (Moorhead); Bachelor of Science, Finance/Accounting; 1987

Designation

- Certified Public Accountant (CPA); 1988

CPAs are licensed and regulated by their state boards of accountancy. Although state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least 1 year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. To maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a 2-year period or 120 hours over a 3-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* that requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

Business Experience

- CTS Consulting, LLC; Managing Member from 12/2006 to Present
- Cass County Electric Cooperative, Inc; Chief Financial Officer from 10/1991 to Present

Item 3. Disciplinary Information

Mr. Sapa has no history of any disciplinary events.

Item 4. Other Business Activities

A. Investment-Related Activities

Mr. Sapa is not engaged in any other investment-related activities, nor does he receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Mr. Sapa is the Chief Financial Officer for Cass County Electric Cooperative, Inc., where he spends the majority of his time fulfilling his attendant responsibilities. CTS does not provide advisory services to this entity, nor will advisory clients of CTS be solicited to invest in this cooperative.

Mr. Sapa, in his individual capacity as a Certified Public Accountant, provides accounting and/or tax planning services through CTS, for which he receives separate and customary compensation. However, he retains the discretion to reduce or waive fees associated with such services provided to clients who retain CTS for portfolio management services.

Item 5. Additional Compensation

Mr. Sapa does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6. Supervision

Chad Sapa does not have a supervisor. Chad Sapa, as CCO does supervise the IAR, which in this case is Chad Sapa. He is the sole owner and Managing Member of CTS, with full responsibility for the determination and implementation of all investment advisory services provided to clients of CTS.

Item 7. Requirements for State-Registered Advisers

A. Additional Disciplinary History

Mr. Sapa has no history of any disciplinary events.

B. Bankruptcy History

Mr. Sapa has not been the subject of a bankruptcy petition.