

Xponance, Inc., an SEC Registered Investment Adviser
June 19, 2020

Item 1: Introduction - “Is an Investment Advisory Account Right for You?”

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.

Xponance, Inc. is a registered investment adviser and provides advisory accounts and services rather than brokerage accounts and services. This document provides a summary of the types of services we provide and how you, “the client,” pay. Please ask us for more information. There are some suggested questions on page 4.

Item 2: Relationships and Services

Xponance provides asset management and investment advisory services to retail and institutional investors.

Xponance charges an on-going asset-based fee, calculated quarterly in arrears, based on the value of cash and investments in an advisory account.

Xponance offers advice on a regular basis in accordance with the investment guidelines of the strategy selected by the retail client. Retail investors’ accounts are monitored on a daily basis. Retail investors receive monthly account statements.

Xponance exercises **discretion** over retail investor accounts, which allows Xponance to buy and sell investments in the investor’s account, without asking the investor in advance.

Xponance offers single-manager equity strategies to retail investors. These strategies are implemented using stocks. Retail investors are not allowed to invest in our multi-manager or fixed income strategies, primarily due to our minimum account sizes.

Item 3: Standard of Conduct - “Our Obligations to You.”

We must abide by certain laws and regulations in our interactions with you.

1. We are held to a fiduciary standard that covers our entire investment advisory relationship with you. We are required to monitor your portfolio, investment strategy and investments on an ongoing basis.
2. Our interests can conflict with your interests. We must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.

Item 4: Fees and Costs

Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.

Xponance will generally charge fees based upon assets under management and fee structures are tiered based upon the amount of assets under management for each mandate/product. Fees are charged on a quarterly basis in arrears. The asset-based fee reduces the value of your account and will be deducted from your account.

Clients enter into one of two fee arrangements. For certain discretionary portfolio management services, clients may participate in a Wrap Fee Program sponsored by Raymond James, UBS or Wells Fargo (each, a “Wrap Program”). The Wrap Program fee structure includes the brokerage expenses (e.g., commissions, ticket charges and other transaction costs) and custody fees, in addition to the management fee paid to the Adviser. As a result, Wrap Program fees are typically higher than non-wrap account fees. Under the all-inclusive billing arrangement applicable to non-wrap accounts, the client is charged a single fee that captures all management, brokerage, custody and administrative fees.

Xponance does not offer retail investors products that may impose additional fees that will reduce the value of retail investors’ investments over time or that would require a retail investor to pay fees when certain investments are sold.

Xponance’s fees vary and are negotiable. Key factors that impact fees are the type of investment strategy selected by the retail investor (e.g., large cap, small cap) and the amount of assets under management. Xponance charges an on-going asset-based fee based on the value of cash and investments in the advisory account.

Retail investors pay Xponance an advisory fee for managing their account. In addition, retail investors will pay commissions to the broker for transactions made in their account. These commissions could be asset based or transaction based. Retail investors will also pay custody fees to the broker-dealer or bank that holds, or maintains custody of, their assets.

The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly, in arrears, even if you do not buy or sell securities.

Item 5: Compare with Typical Brokerage Accounts

You could also open a brokerage account with a *broker-dealer*, where you will pay a *transaction-based fee*, generally referred to as a commission, when the broker-dealer buys or sells an investment for you. Features of a typical brokerage account include:

- With a broker-dealer, you may select investments, or the broker-dealer may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase and sale of investments will be yours.

- A broker-dealer must act in your best interest and not place its interests ahead of yours when the broker-dealer recommends an investment or an investment strategy involving securities. When a broker-dealer provides any service to you, the broker-dealer must treat you fairly and comply with a number of specific obligations. Unless you and the broker-dealer agree otherwise, the broker-dealer is not required to monitor your portfolio or investments on an ongoing basis.
- If you were to pay a transaction-based fee in a brokerage account, the more trades in your account, the more fees the broker-dealer charges you. So, it has an incentive to encourage you to trade often.
- You can receive advice in either type of account, but you may prefer paying:

<i>a transaction-based fee</i>	<i>an asset-based fee</i>
from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time.	if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.

Item 6: Conflicts of Interest

We benefit from the advisory services we provide to you.

Xponance has adopted a Code of Ethics (“Code”) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940 (“Advisers Act”) which is based on the principle that Xponance and each of its employees owe a fiduciary duty to its clients and a duty to comply with federal and state securities laws and all other applicable laws.

Xponance may buy or sell securities for client accounts in which an employee may have a material interest. In order to mitigate potential conflicts of interest between Xponance and its clients, pursuant to its Code, Xponance requires that all employees obtain written permission from the Chief Compliance Officer or her designee before buying or selling in their personal brokerage accounts. Furthermore, no employee may purchase or sell a security during a period beginning three (3) business days before and ending three (3) business days after an Xponance client account transaction. An employee must hold a covered security for a minimum of six months before being allowed to sell the security. In addition, employees must obtain approval prior to participating in an IPO or private placement.

Xponance may enter into performance fee arrangements with institutional clients. Xponance will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions there under, including the exemption set forth in Rule 205-3.

In those limited cases where a client has a performance-based fee, they are not treated differently than other clients. Xponance uses a model portfolio management approach in which

all accounts are mirrored to a selected model, creating substantially equal treatment in terms of investment strategy and investment opportunity. Xponance's trading allocation policy is designed to ensure to the best of its ability that the allocation of trades among its client accounts is done in a manner that is fair and equitable to all clients.

Item 7: Additional Information

We encourage you to seek out additional information.

Visit www.investor.gov for a free and simple search tool to research our firm and our financial professionals. To report a problem to the SEC, visit www.investor.gov or call the SEC's toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments, investment account or a financial professional, contact us in writing at 2605 Meridian Parkway, Suite 105, Durham, NC 27713.

For additional information on our investment advisory services, see Xponance's Form ADV Form on IAPD on www.investor.gov or www.adviserinfo.sec.gov and any brochure supplement a financial professional provides. For questions about the contents of this relationship summary, please contact us at (919) 688-8600. You may also visit our website at www.xponance.com.

Item 8: Key Questions to Ask

Ask our financial professionals these key questions about our investment services and accounts.

1. *Given my financial situation, why should I choose an advisory account?*
2. *Do the math for me. How much would I pay per year for an advisory account? What would make those fees more or less? What services will I receive for those fees?*
3. *What additional costs should I expect in connection with my account?*
4. *Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments from anyone besides me in connection with my investments?*
5. *What are the most common conflicts of interest in your advisory accounts? Explain how you will address those conflicts when providing services to my account.*
6. *How will you choose investments to recommend for my account?*
7. *How often will you monitor my account's performance and offer investment advice?*
8. *Do you or your firm have a disciplinary history? For what type of conduct?*
9. *What is your relevant experience, including your licenses, education and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.*
10. *Who is the primary contact person for my account, and is he or she a representative of an investment adviser? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?*