Part 2A of Form ADV: Firm Brochure

Item 1: Firm Brochure

Meliora Capital, LLC (CRD #172367)
5314 S. Yale Ave., Suite 200
Tulsa, OK 74135
Telephone: 918.619.6710
Contact: J.P. Szafranski
www.melcapital.com

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Meliora Capital, LLC is an investment adviser registered with the United States Securities and Exchange Commission. Such registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Meliora Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 918-619-6710. 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 Meliora Capital, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

The following material changes were made to this brochure since the last filing on March 28, 2024:

- Item 8 has been amended to reflect risks associated with our current investment strategies.
- Item 15 has been amended to reflect the fact that we maintain limited custody as pertains to Standing Letters of Authorization as well as the steps we take to comply with regulatory safeguards.

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Item 4 Advisory Business

Meliora Capital, LLC was founded in June, 2014. The firm's principal owner is J.P. Szafranski. The firm primarily provides asset management services and financial advice to individuals and institutions.

The firm manages two proprietary, separate account-based equity strategies: (1) Core Equity Strategy and (2) Energy Income Strategy. While some clients may choose to invest in only one or both proprietary strategies, other clients have Meliora Capital manage diversified, balanced accounts based on clients' suitability and unique circumstances. Balanced accounts are typically achieved by using the firm's proprietary strategies and while supplementing them with mutual funds, exchange traded funds, and other individual securities for diversification to achieve a suitable level of expected risk and return. Each balanced account's asset allocation is specifically tailored to the specific client's particular investment return and risk objectives and unique constraints. Meliora Capital, LLC provides financial planning as an incidental service to management clients.

Meliora Capital, LLC provides the Private Client Services solution for clients meeting the additional account minimum (Item 7), for those wishing to restrict the firm's discretionary authority (see Section 16) and/or for those wishing to have more frequent contact with the firm to discuss the management of the client's portfolio (see Item 13).

Meliora Capital, LLC does not participate, manage, or sponsor a wrap fee program.

As of December 31, 2024, Meliora Capital, LLC managed $69,326,298 on a discretionary basis and $79,883,346 on a non-discretionary basis.

Item 5 Fees and Compensation

Meliora Capital, LLC is compensated based upon a set percentage of the market value of the assets of the client account. Clients are billed on a quarterly basis, in arrears, based upon the value of the assets in the client account on the last business day of the previous quarter. The standard fee rate is 1% annually (0.25% each quarter). The firm reserves the right to make its management fee rate negotiable at its discretion. When clients engage the firm on a consulting basis, hourly fees range from $150-$400/hour.

Management fees will be deducted directly from the assets in client accounts. However, on a limited and case-by-case basis, the firm may, at its discretion, alternatively choose to bill clients for the balance due. Clients may also incur brokerage transaction costs as investment securities are purchased and sold. See Section 9 for more information regarding brokerage transactions. Clients may also be subject to custodial fees and mutual fund fees.

None of our supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Neither Meliora Capital, LLC nor any of its supervised persons accepts performance-based fees (fees based upon a share of capital gains on or capital appreciation of the assets of a client).

Item 7 Types of Clients

Meliora Capital, LLC's clients and prospective clients primarily include individuals, trusts and foundations and institutions of various types including endowments, pension plans and corporations.

The firm's minimum initial portfolio size is $250,000 for investment advisory clients. The firm's Private Client Services minimum portfolio size is $5,000,000. The firm reserves the right to amend and to provide exceptions to these minimum portfolio amounts.

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

Investing in securities involves risk of loss which clients should be prepared to bear. The following sections describe Meliora Capital, LLC's investment strategies our methods of analysis, and associated risk factors:

Core Equity Strategy

<u>Investment Philosophy</u>

Our goal is to purchase stocks with a high probability of receiving a meaningfully higher value within a reasonable time horizon, with expected returns always weighed against risk characteristics.

We believe that building a portfolio of stocks in which we have significant knowledge and confidence is the best way to add value as equity portfolio managers. Strategy holdings can be individual securities of all market capitalization sizes, including international stocks (usually via ADR structure) and may include mutual funds, exchange traded funds and closed-end funds.

Investment Opportunity Types:

- Relative Value
    - Trading at an unreasonable discount to industry peers

- Under-Appreciated Growth Potential
    - Better-than-expected growth in profits will result in higher valuation
- Out of Favor Industry Expected to Improve
    - Depressed industry-wide valuations recover as conditions improve
- Special Situations
    - Spin-outs, M&A, restructurings, and other catalysts for additional value realization

<u>Investment Goal</u>

Our goal is to achieve excellent rates of total return. One way we measure our success is to compare our results to the return of the total U.S. stock market as measured by the Russell 3000 Total Return Index.

<u>Investment Process</u>

Our analytical process is primarily "bottom-up," but we take our assessment of macro-economic, financial and industry conditions into account as part of the portfolio construction process. We do this because it is impossible to assess a company's value in isolation from its industry and macro-economic circumstances. Technical analysis can also be employed to help inform the strategy's trading tactics. The Chief Investment Officer makes final purchase and sale decisions.

Primary Sources of Research:

- Company Financial Filings
- Bloomberg Historical Financial and Valuation Data (see below)
- Company Specific and Industry News
- Company Conference Call Transcripts
- Company Investor Presentations
- Management Meetings/Calls
- Other Expert Meetings/Calls
- Sell Side Brokerage Research

Key Financial Metrics:

- Attractive and Sustainable Profitability
    - Gross Profit Margin
    - Operating Profit Margin
    - Return on Assets, Equity and Invested Capital

- Balance Sheet Strength
    - Leverage Ratios
    - Liquidity Ratios

- Cash Flow Characteristics
    - Operating Cash Flow
    - Free Cash Flow

- Valuation Metrics
    - Enterprise Value/EBITDA
    - Price to Earnings
    - Price to Book Value
    - Price to Cash Flow (& Free Cash Flow)
    - Dividend Yield

Sell Discipline: As the market value of a security approaches or begins to exceed our estimate of its intrinsic value, we will begin to reduce or eliminate the position. We will also sell securities when we determine that the underlying business prospects have deteriorated materially relative to our base case expectations. The potential tax implications of a contemplated sale can also be a consideration.

<u>Risk Factors</u>

- General Stock Market Risk
    - Broad stock market prices are subject to fluctuations in general corporate profitability and in the price that investors are willing to pay for a given level of earnings power. Both types of fluctuations can result in volatility and thus create uncertainty about investment returns.

- Macroeconomic Risk
    - Equity portfolio values are exposed to changes in macroeconomic factors such as real economic output and inflation. For example, during periods of recession, when economic activity decreases, companies often experience declining sales and profits. Equity values are a function of what investors are willing to pay for expected future profits. When profits decline, stock prices often decline as well. Rising inflation often results in rising interest rate levels. Equity investors alter the price they will pay for a given level of earnings based upon material changes in market interest rate expectations. Higher inflation often will result in lower stock prices, all else equal.

- Business-specific Risk
    - All companies have idiosyncratic risks specific to their circumstances. For example, poor company management can result in deteriorating financial condition with a resulting impairment in equity value. Also, sometimes the general profitability of an entire industry will decline, affecting the stock prices of all companies in that particular industry. If the decline in industry profitability is not cyclical in nature but rather

resulting from a fundamental secular change, the resulting impairment could be permanent.

- Concentration Risk
    - The strategy will oftentimes dedicate significant percentages of the overall portfolio to stocks in which we have the highest confidence. While we expect these instances will contribute to positive portfolio performance, if such positions decline in value, the market value of the overall portfolio could be significantly impacted.

Energy Income Strategy

<u>Investment Philosophy</u>

The energy sector consists of an array of publicly traded securities. Energy companies often generate significant cash flows from operations and seek to return cash to owners through dividends/distributions and share/unit repurchases. We seek to construct a portfolio of energy sector companies which generates total return from a combination of high current income and capital appreciation.

We maintain a focus on expected return versus the risk characteristics for all the securities we follow. We believe that building a portfolio of securities in which we have significant knowledge and confidence is the best way to add value as an equity portfolio manager.

We believe that building a portfolio of securities in which we have significant knowledge and confidence is the best way to add value as equity portfolio managers.

Investment Opportunity Types:

The strategy seeks to own individual equity securities (including units of publicly traded Master Limited Partnerships) and may include mutual funds, exchange traded funds and closed-end funds. We place a particular emphasis on companies in the midstream energy sector. Midstream companies tend to operate long-lived critical infrastructure for the processing, storage and transportation of oil, gas and refined products.

While midstream companies are the strategy's primary focus, we have the flexibility to purchase companies across the entire energy value chain, including upstream production, royalty owners, oilfield services, downstream refining and marketing and renewables. While portfolio income generation is a significant priority, the strategy may also own companies with no current dividend/distribution based upon the expectation for capital appreciation.

<u>Investment Goal</u>

Our goal is to achieve excellent rates of total return. One way we measure our success is to compare our results to the return of the overall asset class as measured by the Alerian MLP Total Return Index.

Investment Process

The Chief Investment Officer makes final purchase and sale decisions. We use the below-listed Sources of Research and Key Financial Metrics to assess the investable universe in order to accomplish our goal of achieving excellent rates of total return. We analyze companies' asset quality, management quality, cash flow stability and future growth prospects. We assess companies' relative valuations and can employ valuation methods such as dividend discount modeling and target yields.

Our analytical process is primarily "bottom-up," but we take our assessment of macro-economic, financial and industry conditions into account as part of the portfolio construction process. We do this because it is impossible to assess a company's value in isolation from its industry and macro-economic circumstances. Technical analysis can also be employed to help inform the strategy's trading tactics.

Primary Sources of Research:

- Company Financial Filings
- Bloomberg Historical Financial and Valuation Data (see below)
- Company Specific and Industry News
- Company Conference Call Transcripts
- Company Investor Presentations
- Management Meetings/Calls
- Other Expert Meetings/Calls
- Sell Side Research

Key Financial Metrics:

- Attractive and Sustainable Distribution/Dividend
    - Current Yield
    - Coverage Ratio
        - Distributable Cash Flow/Total Distributions/Dividends Paid
    - Expected Growth Rate

- Cost of Capital
    - Cost of Equity
    - Cost of Debt

- Balance Sheet Strength
    - Leverage Ratio
        - Debt/EBITDA

    - Liquidity Metrics
        - Cash and Borrowing Capacity

- Cash Flow Metrics/Quality
    - Free Cash Flow
    - Adjusted EBITDA
    - Distributable Cash Flow
    - Maintenance Capital Expenditures
    - Total Capital Expenditures

- Valuation Metrics
    - Yield
    - Enterprise Value/EBITDA
    - Price to Distributable Cash Flow (DCF)
    - Price to Earnings

Sell Discipline: As the market value of a security approaches or begins to exceed our estimate of its intrinsic value, we will begin to reduce or eliminate the position. From time to time, we may also employ a covered call* strategy to enhance portfolio income and reduce positions as they appreciate in value. We will also sell securities when we determine that the underlying business prospects have deteriorated materially relative to our base case expectations. The potential tax implications of a contemplated sale can also be a consideration.

*A covered call strategy is an instance where an investor holds a long position in a security and also sells a call option, giving the option-buyer the right, but not the obligation to purchase the underlying asset at the contractual price within the contractual time period. The covered call seller receives a cash payment upfront in exchange. Covered call writing is a basic options strategy in which the associated risk is the possible opportunity cost of being forced to sell an asset for a price below its future market price.

<u>Risk Factors</u>

- General Stock Market Risk
    - Broad stock market prices are subject to fluctuations in general corporate profitability and in the price that investors are willing to pay for a given level of earnings power. Both types of fluctuations can result in volatility and thus create uncertainty about investment returns.

- Macroeconomic Risk
    - Equity portfolio values are exposed to changes in macroeconomic factors such as real economic output and inflation. For example, during periods of recession, when economic activity decreases, companies often experience declining sales and profits. Equity values are a

function of what investors are willing to pay for expected future profits. When profits decline, stock prices often decline as well. Rising inflation often results in rising interest rate levels. Equity investors alter the price they will pay for a given level of earnings based upon material changes in market interest rate expectations. Higher inflation often will result in lower stock prices, all else equal.

- Commodity Price Risk
  - The MLPs in Meliora Capital's strategy are involved in various facets of the energy industry. Many MLPs have some degree of commodity price exposure in their profits. In many cases, if oil, natural gas or natural gas liquids prices decline, an MLP's profits will decline. While many other MLPs take no or very little direct commodity price risk, they are still exposed in the sense that they remain subject to changes in volumes. Dramatic commodity price changes in either direction pose risks to midstream MLP volumes.

- Business-specific Risk
  - All companies have idiosyncratic risks specific to their circumstances. For example, poor company management can result in deteriorating financial condition with a resulting impairment in equity value. Also, sometimes the general profitability of an entire industry will decline, affecting the stock prices of all companies in that particular industry. If the decline in industry profitability is not cyclical in nature but rather resulting from a fundamental secular change, the resulting impairment could be permanent.

- Concentration Risk
  - The Energy Income Strategy is inherently concentrated in one specific part of the economy. If energy sector fundamentals worsen, the strategy's holdings can see a material drop in value. Also, the strategy will oftentimes dedicate significant percentages of the overall portfolio to companies in which we have the highest confidence. While we expect these instances will contribute to positive portfolio performance, if such positions decline in value, the market value of the overall portfolio could be significantly impacted.

- Tax & Regulatory Risk
  - The energy industry is subject to significant levels of regulation. Increased levels of regulation and the resulting expense to comply could impact companies' profitability. Also, the U.S. tax code currently allows publicly traded partnerships to generate only certain types of

qualifying income. If the tax code were amended to constrict qualifying income or the MLP structure in general, MLP valuations, cash flows and earnings would likely be materially negatively affected.

Balanced Account Management

As discussed in Section 1, many clients engage the firm to manage diversified, balanced accounts based upon clients' suitability and unique circumstances. Balanced accounts are typically achieved with a combination of the firm's proprietary equity strategies (discussed above), mutual funds, exchange traded funds, closed-end funds and other individual securities to achieve adequate diversification.

Each balanced account's asset allocation is specifically tailored to the specific client's particular investment return and risk objectives and unique constraints. Balanced accounts can be allocated to domestic and international equities (across all market capitalization sizes), preferred stock, taxable and non-taxable investment grade fixed income, non-investment grade fixed income, currencies, commodities and options. Some clients may elect to use margin borrowing in their brokerage accounts which brings additional risks discussed in Risk Factors below.

Risk Factors

- Interest Rate Risk
  - The market value of fixed income securities is affected by movements in market interest rates. Fixed income security values move inversely to moves in market rates. If market interest rates rise, fixed income security values are negatively affected.

- Credit Risk
  - An issuer of a fixed income (or Preferred Stock) security may default on its obligations to pay interest, dividends or principal at maturity. An event of default is likely to materially negatively affect the value of a security. Even in the absence of default, if market participants begin to perceive rising credit risk for a security, its value is likely to decline materially.

- Liquidity Risk
  - Liquidity risk arises when an asset cannot be sold quickly enough in the market without impacting its trading price significantly. Typical trading volume and market bid-ask spreads help to indicate a given security's liquidity risk.

- Exchange-Traded Fund, Mutual Fund, Closed-end Fund Risk

    - Exchange-Traded Funds and Mutual Funds incur incremental expenses given that investors will bear a proportional share of fund expenses. Investors incur the risk of a given fund's underlying investments. In actively managed funds, investors rely on the manager's ability to make timely and accurate investment decisions, which introduces the risk that some decisions can adversely affect fund performance.
- Margin Risk
    - Clients can use margin borrowing in brokerage accounts. If you borrow to help fund the purchase of a security or to withdraw funds from your account, you are engaging in a margin transaction. Using margin involves material risks. If the value of securities in your margin account declines, the collateral backing the margin loan declines and the brokerage firm may issue a margin call requiring you to either deposit funds or sell securities in the account to reduce the amount of the margin loan. The brokerage firm reserves the right to take action without your consent in order maintain sufficient equity in your account.
    - You can lose more funds than you deposit in your margin account
    - The brokerage firm can force the sale of securities in your account
    - The brokerage firm can sell securities in your account without contacting you
    - You may not be entitled to choose which securities may be sold to meet a margin call
    - The brokerage firm has full discretion to increase maintenance margin requirements.
- Catastrophe and Terrorism Risk
    - There is risk of financial losses and operational disruptions in the event of natural disasters, terrorist attacks and other large-scale, unpredictable events. These risks can lead to significant property damage, loss of life, and widespread economic instability, which can affect market confidence and investment values.

BLOCKCHAIN, DIGITAL ASSETS & VIRTUAL CURRENCY - RISKS AND DISCLOSURES

THE FOREGOING CORRESPONDENCE CONTAINS VALUATION INFORMATION CONCERNING CRYPTO CURRENCIES, DECENTRALIZED APPLICATION TOKENS, PROTOCOL TOKENS, OTHER CRYPTOFINANCE COINS, TOKENS AND INSTRUMENTS BASED ON BLOCKCHAIN, DISTRIBUTED LEDGER OR SIMILAR TECHNOLOGIES ("DIGITAL ASSETS AND VIRTUAL CURRENCIES"). YOU SHOULD BE AWARE THAT GIVEN CERTAIN MATERIAL CHARACTERISTICS OF DIGITAL ASSETS AND VIRTUAL CURRENCIES INCLUDING LACK OF A CENTRALIZED PRICING SOURCE AND THE OPAQUE NATURE OF THE VIRTUAL CURRENCY MARKET, THERE CURRENTLY IS

NO SOUND OR ACCEPTABLE PRACTICE FOR REGULATORS TO ADEQUATELY VERIFY THE OWNERSHIP AND CONTROL OF A DIGITAL ASSET OR VIRTUAL CURRENCY OR THE VALUATION ATTRIBUTED TO A DIGITAL ASSET OR VIRTUAL CURRENCY. THE RISKS ASSOCIATED WITH THIS ASSET CLASS INCLUDE, BUT ARE NOT LIMITED TO:

- ***Unique Features of Virtual Currencies.*** Digital assets and virtual currencies are not legal tender in the United States and many question whether they have intrinsic value. The price of many digital assets and virtual currencies is based on the agreement of the parties to a transaction. The risks associated with the unique features of virtual currencies should be explained;
- ***Price Volatility***. The price of a digital asset or virtual currency is based on the perceived value of that asset and subject to changes in sentiment, which make these products highly volatile. Certain digital assets and virtual currencies have experienced daily price volatility of more than 20%. The risks associated with the extreme price volatility of virtual currencies and the possibility of rapid and substantial price movements, which could result in significant losses;
- ***Valuation and Liquidity.*** Digital assets and virtual currencies can be traded through privately negotiated transactions and through numerous virtual currency exchanges and intermediaries around the world, none of which is yet registered or authorized with US regulators. The lack of a centralized pricing source, and the absence of a regulated exchange, pose a variety of valuation challenges. In addition, the dispersed liquidity may pose challenges for market participants trying to exit a position, particularly during periods of stress. These challenges can lead to potential mark-to-market valuation inconstancies with the true value of the virtual currencies, which can distort the overall value of an investor's investment, either overvalued or undervalued. Finding an appropriate third party to value digital assets and virtual currencies may be difficult and challenging, and the reliability and capability of third-party valuation vendors can be extremely inconsistent, further contributing to potentially inaccurate or stale valuations;
- ***Cybersecurity***. The cybersecurity risks of digital assets, virtual currencies and related "wallets" or unregulated spot exchanges include hacking vulnerabilities and a risk that publicly distributed ledgers may not be immutable. A cybersecurity event could result in a substantial, immediate and irreversible loss for market participants that trade virtual currencies. Even a minor cybersecurity event in a digital asset or virtual currency is likely to result in downward price pressure on that product and potentially other virtual currencies. These hacking vulnerabilities could include at the exchange, merchant, custodian, or issuer and may result in a complete loss of investment. Finally, digital surveillance leading to 1) the theft of private keys

could result in the total loss of investment and/or 2) deanonymizing users could inflict downward price pressure on the investment;

- ***Opaque Spot Market.*** Digital assets and virtual currency balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by a market participant or a custodian. Although digital assets and virtual currency transactions are typically publicly available on a blockchain or distributed ledger, the public address does not identify the controller, owner or holder of the private key. Unlike bank and brokerage accounts, digital assets and virtual currency exchanges and custodians that hold digital assets and virtual currencies do not always identify the owner. The opaque underlying or spot market poses asset verification challenges for market participants, regulators and auditors and gives rise to an increased risk of manipulation and fraud, including the potential for Ponzi schemes, bucket shops and pump and dump schemes;
- ***Virtual Currency Exchanges, Intermediaries and Custodians.*** Digital asset and virtual currency exchanges, as well as other intermediaries, custodians and vendors used to facilitate virtual currency transactions, are relatively new and largely unregulated in both the United States and many foreign jurisdictions. Digital asset and virtual currency exchanges generally purchase these assets for their own account on the public ledger and allocate positions to customers through internal bookkeeping entries while maintaining exclusive control of the private keys. Under this structure, digital asset and virtual currency exchanges collect large amounts of customer funds for the purpose of buying and holding these assets on behalf of their customers. The opaque underlying spot market and lack of regulatory oversight creates a risk that a digital asset and virtual currency exchange may not hold sufficient virtual currencies and funds to satisfy its obligations and that such deficiency may not be easily identified or discovered. In addition, many digital asset and virtual currency exchanges have experienced significant outages, downtime and transaction processing delays and may have a higher level of operational risk than regulated futures or securities exchanges. Finally, any insurance, bond, or trust maintained by exchanges, intermediaries, or custodians or those effecting transactions may not be sufficient to cover all losses incurred by counterparties;
- ***Regulatory Landscape.*** Digital assets and virtual currencies currently face an uncertain regulatory landscape in the United States and many foreign jurisdictions. In the United States, digital assets and virtual currencies are not subject to federal regulatory oversight but may be regulated by one or more state regulatory bodies. In addition, the SEC has cautioned that many initial coin offerings are likely to fall within the definition of a security and subject to U.S. securities laws. One or more jurisdictions may, in the future, adopt laws, regulations or directives that affect digital asset and virtual currency networks

and their users. Such laws, regulations or directives may impact the price of digital assets and virtual currencies and their acceptance by users, merchants and service providers, and they could potentially ban them altogether resulting in a loss of investment;

- ***Technology.*** The relatively new and rapidly evolving technology underlying digital assets and virtual currencies introduces unique risks. For example, a unique private key is required to access, use or transfer a digital asset or virtual currency on a blockchain or distributed ledger. The loss, theft or destruction of a private key may result in an irreversible loss. The ability to participate in forks could also have implications for investors. For example, a market participant holding a digital asset or virtual currency position through a digital asset or virtual currency exchange may be adversely impacted if the exchange does not allow its customers to participate in a fork that creates a new product;
- ***Transaction Fees.*** Many digital assets and virtual currencies allow market participants to offer miners (i.e., parties that process transactions and record them on a blockchain or distributed ledger) a fee. While not mandatory, a fee is generally necessary to ensure that a transaction is promptly recorded on a blockchain or distributed ledger. The amounts of these fees are subject to market forces and it is possible that the fees could increase substantially during a period of stress. In addition, virtual currency exchanges, wallet providers and other custodians may charge high fees relative to custodians in many other financial markets;
- ***Digital Asset and Virtual Currency Values.*** Digital asset and virtual currency values could go to zero or near zero;
- ***Trading Hours.*** Digital assets and virtual currencies trade 24 hours a day, 7 days a week, and internationally. Large price moves can occur outside of normal trading business hours, which may result in the loss of all or a substantial majority of an investment due to an investor's inability to timely transact;
- ***No Investor Protection.*** Digital asset and virtual currency accounts and value balances are not protected by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation;
- ***Timing.*** The date or time that a digital asset or virtual currency transaction is initiated can differ from the record posted on a public ledger, and;
- ***Taxation.*** Oppressive taxation regimes on digital assets and virtual currencies can result in large and unforeseen negative tax consequences reducing the value and worth of assets.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business and the integrity of its management. Meliora Capital, LLC has no information to disclose that would be applicable to this item.

Item 10 Other Financial Industry Activities and Affiliations

Neither Meliora Capital, LLC nor its principals are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Meliora Capital, LLC nor its principals are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above entities.

Meliora Capital, LLC does not recommend or select investment advisers for our clients, nor do we have any business relationships with such advisers that would create a conflict of interest. Since we do not pursue such activities, we do not receive any compensation related to such activities.

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

Meliora Capital, LLC has adopted a Code of Ethics in compliance with the Securities and Exchange Commission's Code of Ethics Rule. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. Meliora Capital, LLC and its representatives have a fiduciary duty to all clients.

Meliora Capital, LLC and its representatives' fiduciary duty to clients is considered the core underlying principle for Meliora Capital, LLC's Code of Ethics and represents the expected basis for all representatives' dealings with clients. Meliora Capital, LLC has the responsibility to ensure that the interests of clients are placed ahead of it or its representatives' own investment interest. All representatives will conduct business in an honest, ethical, and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the representatives' duty of complete loyalty to their clients. In addition, by way of being CFA Charterholders, all employees of the firm are subject to the CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards), which aim to place the integrity of the profession and the interests of clients above our own interests. All employees must act with integrity, competence, and respect as well as maintain and develop his or her professional competence. A copy of our full Code of Ethics is available for any client or prospective client upon request.

Employees may buy or sell securities that are also part of our proprietary strategies. This could create a conflict of interest if our employees were to receive more favorable prices as compared to our clients' accounts. We mitigate this potential conflict by ensuring that employees cannot buy or sell such securities until the firm has had the opportunity to buy or sell them for clients' accounts.

Item 12 Brokerage Practices

As a fiduciary (includes Meliora and all RIA representatives of the firm) to our clients, we seek to achieve best execution when trading securities for our clients. We select broker-dealers for client transactions based on multiple factors, including the following items:

- Their financial strength and stability.
- Their ability to execute trades in a timely and efficient manner, considering the size of the order relative to the security's trading liquidity.
- Their ability to transact consistently and reliably based upon trading instructions provided, at favorable prices, taking into account commissions charged.
- Their ability to execute a block trade of securities that would otherwise take a significant amount of time to transact.
- Their competitiveness of commission rates in comparison to competing brokers who also meet the above criteria.

We have no formal brokerage commission commitments. While Meliora Capital, LLC, generates most investment ideas internally, from time-to-time, we may direct trades to a brokerage firm that has provided "sell-side" brokerage research that has been useful to our analytical process. The brokerage firm in this case may charge a commission rate higher than may be available from another firm. However, we have no formal soft dollar arrangements with any brokers regarding compensation for any research or other services. We may receive an economic benefit because we do not have to produce or pay for such research, products or services that we find useful.

We would permit a client to direct brokerage. If a client directs a brokerage arrangement it is possible that the client will not receive best execution as directing brokerage may cost the client more money as a result of possibly higher commission rates and/or the client may receive less favorable execution prices. The client would need to make this request in writing. As part of the written correspondence, the client must acknowledge that best execution might not be obtained.

Whenever possible the firm will aggregate client orders for the purchase and sale of securities. By aggregating orders each client will receive the same average execution price in a given day. Once a purchase decision is made, a trade list shall be built by a Meliora Capital employee including all accounts for which the security is suitable and consistent with the client's IPS and/or investment management contract.

In the event of a partial fill for an order, the accounts on the trade list will be filled on a pro rata basis consistent with the CFA Institute Code of Ethics and Standards of Professional Conduct which Meliora Capital has adopted.

The process for allocating sell orders is identical to the process laid out above for buy orders with the exception that the trade list is merely the existing holders list.

Certain circumstances can preclude client accounts from being included in aggregated trades. For example, client accounts held at different custodians may have to be executed separately. Also, client-directed trade orders from non-discretionary accounts may be executed separately. Further, certain minimum account size restrictions can preclude client accounts from being included in aggregated trades. It is possible that such non-aggregated orders could receive less favorable execution than had they been included in an aggregated order.

Item 13 Review of Accounts

Meliora Capital, LLC reviews client accounts on an ongoing basis to ensure they are invested in a manner consistent with client investment objectives. The Chief Investment Officer uses the firm's portfolio management software to assist in this regular monitoring process.

Additionally, the Chief Compliance Officer will conduct portfolio reviews on at least an annual basis. This review will inquire as to any changes to the client's financial situation that could impact the return or risk objectives of the portfolio in addition to any relevant constraints.

On a quarterly basis the firm will provide to each client a quarterly report package listing current holdings with market values, performance data regarding portfolio total return and a statement of investment management fees.

Item 14 Client Referrals and Other Compensation

Meliora Capital, LLC does not receive any economic benefit from non-clients for providing investment advice or other advisory services to our clients. Neither the firm nor any related person compensates any persons for client referrals.

Item 15 Custody

With the exception of the ability to debit management fees directly from client accounts held at a qualified custodian and utilizing Standing Letters of Authorization as outlined below, Meliora Capital, LLC does not have custody of client funds or securities. Client assets will be held at a custodian that is mutually agreed upon by the client and the firm.

Clients will receive account statements at least quarterly from this custodian. Such account statements should be reviewed carefully and compared to the quarterly reports distributed by Meliora Capital, LLC. These reports may vary from the custodial statements as a result of accounting procedures, reporting dates or valuation methods for certain securities.

Our firm, or persons associated with our firm, may effect wire transfers or electronic fund 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 or electronic fund 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. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You 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 you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

Item 16 Investment Discretion

Meliora Capital, LLC accepts discretionary authority to manage securities accounts on behalf of clients. Our discretionary authority enables us to choose which securities to buy or sell and the amounts of which to buy or sell in order to effectively manage its strategies without obtaining specific consent from the client. This authority also allows Meliora Capital, LLC and its affiliates to implement investment decisions and select custodians to execute such decisions without prior consultation with the client.

Discretionary authority is authorized as part of the firm's Investment Management Contract, which must be executed prior to such discretionary authority becoming effective. Clients choosing to restrict discretionary authority, either the authority to choose specific securities to buy or sell or the amounts of which to buy or sell, must do so in writing in Section 3 – (Relevant Constraints) of the Investment Management Contract.

Item 17 Voting Client Securities

Clients may delegate proxy-voting authority to Meliora Capital, LLC. Clients choosing not to delegate voting authority will receive proxies directly from their custodian.

For clients delegating proxy-voting authority to Meliora Capital, it is the firm's policy to vote proxies for securities held in our proprietary strategies. However, we may not vote on an issue if we view it to be routine, procedural and/or inconsequential to the security's value and/or quality of governance. If a client chooses to hold a security that is not a part of a Meliora Capital, LLC proprietary strategy, we will not vote its proxies unless given specific voting instructions by the client in writing.

Our policy is to vote proxies in accordance with the goal of maximizing the value of our clients' investments. If a conflict of interest arises in connection with the voting of our clients' securities, we will vote based upon the following principles:

- A Board of Directors should be substantially independent (company management should make up less than 50% of its members).
- Key Board committees should have significant independence from management (nominating, audit, compensation committees).
- Management compensation should be limited to an amount considered appropriate given the company's performance and its peers.
- We typically oppose poison pills or other strategies used to discourage hostile takeovers from potential acquirers.
- We typically support the separation of the roles of Chairman of the Board and Chief Executive Officer.

Clients may contact the firm if they wish to learn details about proxy votes cast on their behalf. Upon request, clients can also obtain a copy of the firm's proxy voting policies and procedures.

The firm may from time to time have clients that are affiliated with a publicly traded company in which other clients invest. Also, employees, the firm or its affiliates may have a personal or business relationship with issuers or individuals who serve as officers or directors of issuers. Additionally, employees, the firm or its affiliates may own a significant number of an issuer's securities.

Item 18 Financial Information

Meliora Capital, LLC does not require prepayment of fees. We are not the qualified custodian for client funds or securities and does not require prepayment of fees of more than $1200 per client, six (6) months or more in advance. We do not believe the firm faces any financial condition that would be reasonably likely to impair its ability to meet its contractual commitments to clients. We have never been the subject of a bankruptcy petition.