



CENTURA  
WEALTH  
ADVISORY

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Centura Wealth Advisory hereinafter "Centura" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2 Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

The following material changes have been made to this Disclosure Brochure since the annual amendment filing on March 25<sup>th</sup>, 2024:

- The Advisor has appointed Christopher Barnes as Chief Operations Officer effective March 1<sup>st</sup>, 2025.
- Centura has amended its ownership structure. Please see Item 4 for additional information.
- Centura has amended its billing methodology. Please see Item 5 for additional information.

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## Item 4 Advisory Business

Centura offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Centura rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Centura setting forth the relevant terms and conditions of Centura relationship (the "Advisory Agreement").

Centura has been registered as an investment adviser since May 2018 and is owned by CCG WM Holding Company, LLC.

Centura calculates its regulatory assets under management ("RAUM") pursuant to the instructions to Form ADV. Centura's RAUM includes all client accounts that Centura manages on a discretionary basis. As of December 31, 2024, Centura had \$769,086,884 in RAUM, all of which was managed on a discretionary basis. In addition to its RAUM, Centura oversees \$58,667,557 of assets under advisement ("AUA"), which includes assets for which the Firm provides investment planning or consulting services and insurance accounts that require reporting or other services. Thus, as of this date, Centura's "Total Assets"—the sum of its RAUM and AUA—was approximately \$827,754,441.

While this brochure generally describes the business of Centura, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Centura's behalf and are subject to the Firm's supervision or control.

### Financial Planning and Consulting Services

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Centura offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Real Estate Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

In performing these services, Centura is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. The Firm also recommends that clients verify any guidance given by Centura with their other respective professionals in the relevant space. Centura recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Centura or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Centura under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Centura's recommendations and/or services.

## Investment Management Services

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Centura manages client investment portfolios on a discretionary or non-discretionary basis. Centura primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), alternative investments (including privately placed securities in real estate, debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds or real estate funds), as well as a limited amount of equity and fixed income securities, including structured notes, options and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. Centura may retain other types of investments from the Client's legacy portfolio due to fit with the overall portfolio strategy, tax-related reasons, or other reasons as identified between the Advisor and the Client.

Where appropriate, the Firm also provides advice about legacy positions or other investments held in client portfolios. Clients can engage Centura to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as fixed and variable life insurance policies, fixed and variable annuity contracts, private investments, assets held in employer sponsored retirement plans, and qualified tuition plans (i.e., 529 plans).

In these situations, Centura gathers related product information directly from the client or financial institution and directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Centura tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Centura consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Centura if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Centura determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

*Retirement Accounts* – When Centura provides investment advice to clients regarding ERISA retirement accounts or individual retirement accounts ("IRAs"), Centura is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. When deemed to be in the client's best interest, Centura will provide investment advice to a client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if Centura will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by Centura.

## Use of Independent Managers

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As mentioned above, Centura selects certain Independent Managers to actively manage a portion of certain allocations of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Centura evaluates a variety of information about Independent Managers, which includes the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. Centura also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Centura continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Certain independent managers may utilize margin borrowing as part of their investment strategies. Centura seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its client's investment objectives and overall best interests.

### **Retirement Plan Advisory Services**

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Centura provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). Centura's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services available include:

- Vendor Analysis
- Investment Policy Statement ("IPS") Design and Monitoring
- Discretionary Investment Management (ERISA 3(38))
- Investment Oversight (ERISA 3(21))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Provider Search

These services are provided by Centura serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Centura's fiduciary status, the specific services to be rendered and all direct and indirect compensation Centura reasonably expects under the engagement.

### **Item 5 Fees and Compensation**

Centura offers services on a fee basis, which includes fixed and/or hourly fees, as well as fees based upon assets under management. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

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While the Firm provides a certain amount of financial planning and/or consulting services with its investment management services, if a client needs additional support and services, Centura charges a fixed, monthly, and/or hourly fee. These fees vary but range up to \$250,000 on a fixed fee basis and/or from \$170 to \$1,170 on an hourly basis, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services.

The Firm does not take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### **Investment Management Fees**

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Centura offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies and can be up to 1.25%.

The annual fee is prorated and charged quarterly based upon the market value of the assets being managed by Centura on the last day of the previous quarter. We typically bill in advance but under an exceptional basis we can bill in arrears. If assets in excess of \$100,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event Centura agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

The Firm typically uses the valuation provided by the firm's respective custodians, and delivered to Orion, the Company's software provider used for billing to determine the fee charged. Centura will conduct periodic reviews of the Custodian's valuation to ensure accurate billing. For certain privately placed securities, the Firm uses the value provided by the issuer or custodian in periodic reporting as of the end of the previous quarter or the most recent prior valuation available during the company's billing period (which may or may not be audited). The Firm may determine to bill on less than market value for privately placed securities, based on the circumstances, and will disclose the specifics of the billing policy for each private placement prior to a client's participation in the offering, or prior to taking over management of a client's existing private investment.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Centura may negotiate a fee rate that differs from the range set forth above.

### **Retirement Plan Advisory Fees**

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Fees for retirement plan advisory services are charged either an annual asset-based fee of up to 1.25% based on the market value of assets under management at the end of the calendar quarter or an annual fixed fee. Retirement plan advisory fees are billed quarterly either in advance of, or at the end of each quarter. Fees may be negotiable depending on the size and complexity of the Plan.

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **Fee Discretion**

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Centura may, in its sole discretion, negotiate to charge a lesser fee or change the timing and valuation of assets based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities. Any such changes will be agreed to in writing with the client.

## **Additional Fees and Expenses**

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In addition to fees paid to Centura, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets fees charged by other Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

## **Direct Fee Debit**

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Clients provide Centura and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Firm will deduct the fee from accounts that may not hold all of the client's assets being billed on. For example, the Firm can take a fee from an account for assets held in privately placed securities that are not held with the same custodian. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Centura. Alternatively, clients may elect to have Centura send a separate invoice for direct payment. Where a client elects to pay the Firm directly for investment management services, the Firm can charge up to an additional \$500 per year.

## **Use of Margin**

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Centura may be authorized to use margin in the management of the client's investment portfolio. In these cases, the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to Centura will be increased. Where investment management fees are assessed gross of margin, a conflict of interest exists as the Firm has an incentive to use margin to increase its fees.

## **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to Centura's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Centura, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Centura may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.



## Termination

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Centura may be compensated for its services in advance. Either party may terminate Centura's agreement, at any time, by providing advance written notice to the other party. The client may also terminate the investment advisory agreement within five (5) business days of signing Centura's agreement at no cost to the client. After the five-day period, the client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Centura will refund any unearned, prepaid advisory fees from the effective date of termination to the end of the quarter. The client's advisory agreement with Centura is non-transferable without the client's prior consent. For financial planning and consulting services, the client may cancel services at any time and will be refunded the remaining months paid, excluding the month of which the cancellation occurred.

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

Centura does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7 Types of Clients

Centura offers services to individuals, retirement plans, trusts, estates, charitable organizations, corporations, and business entities.

## Minimum Account Value

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As a condition for starting and maintaining an investment management relationship, Centura imposes a minimum portfolio value of \$2,000,000. Centura may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, referrals, account composition, pre-existing client, account retention, and pro bono activities. Centura only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Centura can aggregate the portfolios of related clients and accounts to meet the minimum portfolio size.

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

### Methods of Analysis and Investment Strategies

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Centura utilizes the following methods of analysis when formulating investment advice or managing assets:

- Fundamental- Evaluation of the factors that drive companies, industries and economies to measure intrinsic value and forecast the direction of prices.
- Technical - analysis performed using past price and volume data, to forecast the direction of future prices, trends and key levels of support and resistance.
- Quantitative - analysis performed using mathematical and statistical models focused on measuring and forecasting the impact of different key factors on both risk and returns (e.g., momentum, market, size, quality, value, etc.).
- Qualitative – analysis that uses subjective judgment to analyze an investment's value or prospects based on non-quantifiable information, such as management expertise, industry cycles, strength of research and development, etc.

- Trend - identifying trends and fluctuations around the trend, revealing succeeding phases of expansion and contraction, to forecast the direction of prices.
- Risk - Quantitative analysis used to measure key risk statistics as well as to quantify potential draw down and the impact of different scenarios (i.e., stress testing).

Centura may utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases - securities held at least a year.
- Short-Term Purchases - securities sold within a year.
- Trading - securities sold within thirty (30) days.
- Margin Transactions - use of borrowed assets to purchase financial instruments.
- Options - contract for the purchase or sale of a security at a predetermined price during a specific period of time.

## **Risk of Loss**

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Centura's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Centura will be able to predict these price movements accurately or capitalize on any such assumptions.

### *General Risks*

Centura's primary investment strategies - Long-Term Purchases, Short-Term Purchases, and Trading -are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

At any specific point in time, Centura may maintain cash positions for defensive purposes, and/or to meet client required income and liquidity events. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Centura's advisory fee, unless otherwise agreed to in the client's advisory agreement.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units. Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Equity Market Risks*

Centura and any Managers will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investment funds have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

### *Foreign Securities Risks*

Centura and any Managers may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be

subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

### *Fixed Income Risks*

Centura and any Managers may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes.

While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

### *Derivative Risks*

*Derivatives* are difficult to define but are present in a wide variety of investments. In finance, derivatives refer to contracts whose value is derived from another asset, which include stocks, bonds, currencies, interest rates, commodities, and related indexes. Oftentimes derivatives are used as a hedge to protect against downside risk but derivatives can also be used to speculate.

Purchasers of derivatives are essentially wagering on the future performance of that asset. Derivatives include such widely accepted products as futures and options. Due to the speculative nature of derivatives, even when they are being employed to hedge, unique risks are present including a party's misunderstanding of the contract, inability of the derivative to match or derive its value from the other asset, and the counter-party risk between the parties to the transaction.

### *Alternative Investment Risks*

Alternative Investments are normally investments with companies or sectors that are not publicly traded. They can be structured in the form of equity, debt, or other hybrid structures. These investments are normally very illiquid; therefore, they are not ideal for clients with frequent cash needs. There is normally no public market for private equity shares, if investors need to sell their shares, they may do so at a substantial discount. These investments should be viewed as long-term investments. These investments are highly speculative and may only be suitable for clients who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume significant losses. Before deciding to invest in Alternative Investments, clients should carefully consider its investment objectives, level of experience, and risk appetite. The possibility exists that a client could sustain a loss of some or all of its initial investment. Clients should be aware of all the risks associated with Alternative Investments prior to investing.

### *Structured Product Risks*

A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative

component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company.

Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality, substantial loss of principal, limits on participation in any appreciation of the underlying instrument, limited liquidity, credit risk of the issuer, and conflicts of interest.

### *Real Estate*

Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

### *Use of Independent Managers*

As stated above, Centura selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Centura continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. As noted, certain independent managers may utilize margin borrowing as part of their strategies, that being said Centura will conduct due diligence on the independent manager and Centura seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its client's investment objectives and overall best interests. In addition, Centura does not have the ability to supervise the Independent Managers on a day-to-day basis.

### *Use of Private Collective Investment Vehicles*

Centura recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, private credit funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

## *Use of Margin*

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally affected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Centura in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Centura may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to Centura. Accordingly, the decision as to whether to employ margin is left to the discretion of the client.

## **Item 9 Disciplinary Information**

Centura has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **Item 10 Other Financial Industry Activities and Affiliations**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Licensed Insurance Agents**

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A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a commissionable basis, including through the Firm's affiliated insurance brokerage, Centura Insurance Solutions. A conflict of interest exists to the extent that Centura recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation, including distributions relative to their ownership in Centura Insurance Solutions. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations. No client is under any obligation to purchase any commission products. Clients are reminded that they may purchase insurance products recommended by Centura through other, non-affiliated insurance agents.

### **Charitable Organization**

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Centura Foundation, through common control, is an affiliated 501(c)(3) non-profit organization with a charter to support charitable community-based organizations in areas where we live and work. Clients are welcome to support our Foundation however are under no obligation to donate.

## **Item 11 Code of Ethics**

Centura has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics")

that sets forth the standards of conduct expected of its Supervised Persons. Centura's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Centura's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Centura to request a copy of its Code of Ethics.

## **Item 12 Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

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Centura typically recommends clients utilize the custody, brokerage and clearing services of Charles Schwab & Co Inc. ("Schwab"), First Clearing, LLC ("First Clearing"), a trade name used by Wells Fargo Clearing Services, LLC, SEI Trust Company ("STC"), Nationwide, and Axos Financial, Inc. ("Axos"), for investment management accounts. In addition, the Firm may also recommend Jefferson National Securities Corporation ("Jefferson National") for certain annuity contracts, and Community National Bank ("CNB") for certain qualified non-public investment management accounts. Finally, Centura utilizes 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 (each herein is a "Custodian" and collectively the "Custodians").

Each Custodian is a member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. Each Custodian offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Centura receives some benefits from the Custodians through its participation in the program. Clients are not obligated to use the recommended

Custodians and will not incur any extra fee or cost from the Advisor associated with using a custodian not recommended by Centura.

Factors which Centura considers in recommending the Custodians include their financial strength, reputation, execution, pricing, research and service. The brokerage commissions and/or transaction fees charged by the designated broker-dealer are exclusive of and in addition to Centura's fee. Centura regularly reviews these programs to seek to ensure that its recommendation is consistent with its fiduciary duty. The commissions paid by Centura's clients will comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to affect the same transaction where Centura determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Centura seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Centura does not have to produce or pay for the products or services.

Centura periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Brokerage for Client Referrals**

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Centura does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from Schwab, First Clearing, and Jefferson National, and or other third party.

### **Directed Brokerage**

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The client may direct Centura in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Centura (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Centura may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

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Transactions for each client will be affected independently, unless Centura decides to purchase or sell the same securities for several clients at approximately the same time. Centura may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's client's differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Centura's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Centura's Supervised



Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Centura does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13 Review of Accounts**

### **Account Reviews**

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Centura monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives, while the Firm's portfolios are reviewed by the portfolio manager. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Centura and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations, as well as upon request or by circumstances, and periodically (quarterly, semi-annually, annually) to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives as well as upon request or by circumstances.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied, or in some cases directly from the sponsor for certain private investments. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Centura and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Centura or an outside service provider.

## **Item 14 Client Referrals and Other Compensation**

### **Client Referrals**

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In the event a client is introduced to Centura by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Centura's investment management fee and does not

result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Centura's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Centura is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## **Participation in Institutional Platforms**

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### *Schwab*

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

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

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

*Services that May Only Benefit Centura* – Schwab also offers other services and financial support to Centura that may not benefit the client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Additionally, Schwab has agreed to pay for certain services rendered by third parties for which Centura would otherwise have to pay. This amount is covered once the value of client assets in accounts at Schwab reaches a certain size. Clients do not pay more for assets maintained at Schwab as a result of these arrangements. However, Centura does benefit from the arrangement because the cost of these services would otherwise be borne directly by Centura. Access to these services and financial support creates a financial incentive for Centura to recommend Schwab, which results in a conflict of interest. Centura believes, however, that the selection of Schwab as Custodian is in the best interests of its clients. Clients should consider these conflicts of interest when selecting a custodian.

### *Other Custodians*

Centura has established an institutional relationship with the Custodians, to assist Centura in managing client account[s]. Access to the Custodian's platform is provided at no charge to Centura. Centura receives

access to software and related support without cost because Centura renders investment advisory services to clients that maintain assets at The Custodians. The software and related systems support may benefit Centura, but not its clients directly. In fulfilling its duties to its clients, Centura endeavors at all times to put the interests of its clients first.

## **Item 15 Custody**

Centura does not accept or maintain custody of Client accounts, except for the limited circumstances outlined below:

*Deduction of Advisory Fees* - To ensure compliance with regulatory requirements associated with the deduction of advisory fees, all Clients for whom Centura exercises discretionary authority must hold their assets with a qualified custodian. Clients are responsible for engaging a “qualified custodian” to safeguard their funds and securities and must instruct Centura to utilize that Custodian for securities transactions on their behalf. Clients are encouraged to review statements provided by the Custodian and compare to any reports provided by Centura to ensure accuracy, as the Custodian does not perform this review.

*Money Movement Authorization* - For instances where Clients authorize Centura to move funds between their accounts, Centura and the Custodian have implemented safeguards to ensure that all money movement activities are conducted strictly in accordance with the Client’s documented instructions.

## **Item 16 Investment Discretion**

Centura is given the authority to exercise discretion on behalf of clients. Centura is considered to exercise investment discretion over a client's account if it can affect and/or direct transactions in client accounts without first seeking their consent. Centura is given this authority through a power-of-attorney included in the agreement between Centura and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Centura takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## **Item 17 Voting Client Securities**

Centura does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.