

## **Conflicts of Interest Disclosure**

A client of Ark Advisors, LLC (Ark) is subject to a number of actual or potential conflicts of interest. The description of such conflicts of interests can be found below.

Ark and its investment advisors, have adopted policies and procedures reasonably designed to appropriately prevent, limit, or mitigate conflicts of interest and to comply with applicable law where the activities that give rise to conflicts of interest are limited and/or prohibited by law, unless an exception is available.

This disclosure is not, and is not intended to be, a complete enumeration or explanation of all the potential conflicts of interest that may arise. Potential clients and Clients should carefully review the following, which describes potential and actual conflicts of interest that Ark can face in its operations.

### **Acting for Multiple Clients**

In general, Ark faces conflicts of interest when it renders investment advisory services to several clients and, from time to time, provides differing investment advice to different clients. For example, a conflict of interest could arise when one or more accounts invest in different securities, or different classes of the same security.

In addition, the investment advisor face conflicts of interest in the timing and the amount of allocations to various investments, as well as in the choice of an underlying investment or fund.

### **Personal Trading**

Ark and its investment advisors face conflicts of interest when transacting in securities for their own accounts. Within their own discretion, Ark or its advisors may make different investment decisions and take other actions with respect to their own accounts than those made for Client accounts, including the timing or nature of such investment decisions or actions.

### **Client Fees**

As in any business, Ark faces conflicts of interest because it collects fees from Clients for the services it provides. The conflicts of interest present in a fee advisory firm are the following:

- Any new accounts are subject to a conflict of interest because before Ark management of those assets, there is no fee and by working with Ark, there is a fee.
- Roll over 401k or outside account to be managed at Ark. Previously, Ark did not earn a fee and would if the account was managed by Ark.
- Maintaining best interest standards for ownership allocations between investment securities, business ownership, cash holdings, etc. For example, Ark earns more revenue if all available cash from Client is managed by Ark vs keeping reasonable cash position at bank for lower cost.

## **Waiver or Reduction of Fees**

Ark faces conflicts of interest when waiving or reducing certain fees as those waivers enhance performance.

## **Support Services, Tools, Technology, Software, and Research from Qualified Custodian**

Ark faces conflicts of interest by using support services, tools, technology, software, and research from its qualified custodians, namely Trade-PMR and American Funds. These services are primarily for the benefit of Ark and its advisors. This conflict is present because Clients indirectly pay for these services as part of trading costs and in some cases, nonexistent or reduced trading funds or ETFs.

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

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

## **Client Referrals and Other Compensation**

Ark will receive additional benefits from Trade-PMR which includes electronic systems that assist in the management of Ark client accounts, access to research, the ability to directly debit client fees, software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, assist with back-office functions, recordkeeping and client reporting.

## **Insurance**

Ark's investment advisors hold insurance licenses and can sell insurance products to Clients. While our advisors can technically do this, our policies and procedures prohibit us from doing this. The rationale for keeping our insurance licenses is so we can provide quality advice to Clients seeking information related to insurance products.

## Conflicts of Interest Mitigation

### Acting for Multiple Clients

1. Investments are selected for each account based on client's goals, needs, time horizon, and other factors such as cash on hand, farm land, business interests, or other factors not listed here. Ark tries to factor in all available client financial information when selecting specific investments for their account(s).
2. Different classes of securities are only used when it is beneficial for the client to do so. For example, we may use a F1 share of the same fund for values less than \$20,000 to accommodate minor cash withdrawals, fees, etc. By using the F1 share, we eliminate a trading fee of \$24.99 or more each time we buy or sell with the cheaper F2 share. By factoring in expected trading costs, we will use most cost effective class for client.
3. Ark does not time the market, nor does it enter trades with this in mind. Most securities are mutual funds, but in instances where ETFs are used, there is no effort to time those trades, but instead all trades are placed alongside long term time horizons corresponding to client's plans. For mutual fund trades, there is no net effect for clients for trades placed at different times of the day.

### Personal Trading

1. Ark investment advisors generally do not purchase investments or securities that are different than the ones it recommends for its clients, but may do so. For mutual fund trades, there is no net effect between that of an advisor account and a client account. For ETF trades, if Ark is planning to do a massive buy or sell from that position, Clients would be prioritized and all advisor trades would be placed subsequently.

### Client Fees

1. Clients choose to use Ark and its advisors because of the value the Client receives in exchange for the fee charged by Ark. Ark makes it clear what our fees are, and has Client sign IAC indicating such.
2. Clients choosing to roll over assets from 401k or other IRAs generally do so because they value the services and advice provided by Ark and its investment advisors. Ark and its advisors review all available options with Clients such as leaving it in current plan or IRA, and discuss any differences in fees or costs before Client chooses to make said decision. CCO documents rationale and pros/cons of each rollover, and has client sign.
3. Ark and its advisors use a team approach to managing its clients. By reviewing all client plans and goals within the team, we seek to mitigate any selfish motives or subpar advice for our clients.

### Waiver or Reduction of Fees

1. All clients are charged the fee listed in the advisory agreement but in some instances may qualify for an exception. As of October 2023, we have 1 client who has been granted a lower fee than the standard rate.
2. Ark and its advisors charge less for 401k accounts due to Client assuming some responsibility for account setup/closure, beneficiary changes, and other administrative items.

**Support Services, Tools, Technology, Software, and Research from Qualified Custodian**

1. Ark and its advisors are provided access to services from TD Ameritrade, American Funds, and others for using their platforms for client account management. Each year, Ark's compliance officer review and perform necessary due diligence to make sure the custodian is indeed a reasonable and high quality option for the client.

**Insurance**

1. Ark and its advisors do not earn commissions or any revenue from insurance products. Insurance licenses are kept up to date to ensure our advisors can adequately provide advice regarding these products as part of comprehensive financial reviews.