Terra Wealth Management, LLC

FORM ADV PART 2A

BROCHURE,

Item 1 – Cover Page

400 West English Road Ste 215
High Point, NC 27262
www.TerraWealth.com

This brochure provides information about the qualifications and business practices of Terra Wealth Management, LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer, James May by telephone at 855-708-3772 or by email at david@terrawealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Terra Wealth, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Terra Wealth, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

July 30, 2024

Item 2 – Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor now engages a Turnkey Asset Management Program (TAMP). Please see Item 4B for more information.

- The Advisor has updated its Assets Under Management. Please see Item 4E for more information.

- The Advisor has updated its Fee Schedule for Advisory Services. Please see Item 5A for more information.

- The Advisor's maximum advisory fee is now 2.00%. Please see Item 5A for more information.

Item 3 - Table of Contents

Item 4 - Advisory Business

A. Description of the Advisory Firm

Terra Wealth Management, LLC ("Terra Wealth" or the "Firm") is a Delaware limited liability company, located in North Carolina. Terra Wealth is an investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). Terra Wealth is owned by Terra Wealth LLC and is operated by P. Scott Leonard.

All statements in this brochure, including those made in the present tense, describe the prospective business of Terra Wealth.

B. Types of Advisory Services

Terra Wealth provides holistic and personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, and qualified retirement plans.

Financial Planning and Consulting Services

Terra Wealth may provide a variety of comprehensive financial planning and consulting services to clients. Such engagements may be part of the investment advisory engagement or pursuant to a separate engagement. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to cash flow analysis, investment planning, retirement planning, estate planning, personal savings, educational savings, and other areas of a client's financial situation.

A financial plan developed for or financial consultation rendered to the client will typically include general recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may be made that the client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Terra Wealth may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Terra Wealth recommends its own services, as such a recommendation may increase the advisory fees paid to Terra Wealth. The client is under no obligation to act upon any of the recommendations made by Terra Wealth under a financial planning or consulting engagement to engage the services of any such recommended professional, including Terra Wealth itself.

Investment Management Services

In designing and implementing customized models and portfolio strategies, Terra Wealth can manage, on a discretionary or nondiscretionary basis, a range of investment strategies and vehicles. Terra Wealth primarily allocates client assets among various collective investment vehicles such mutual funds, exchange-traded funds (“ETFs”), variable and fixed annuities in accordance with clients’ stated investment objectives.

Terra Wealth may further recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client’s engagement of the External Manager or will receive a Statement of Investment Selection in a single contract relationship. Terra Wealth generally renders services to the client relative to the discretionary selection of External Managers. Certain External Managers also provides option overlay strategy solutions with exposure in marketable securities and/or ETFs, in order to provide additional income potential while seeking to minimize volatility. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, may be exclusive of, and in addition to, the annual advisory fee charged by Terra Wealth. The Advisor will perform initial and ongoing oversight and due diligence over the selected External Manager[s] to ensure the External Managers’ strategies and target allocations remain aligned with its clients’ investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated investment manager[s] or investment platform[s], will be provided with the External Manager's Form ADV 2A and Form CRS (or a brochure that makes the appropriate disclosures).

Terra Wealth Advisors may periodically recommend and refer Clients to turnkey asset management programs (“TAMPs”) at Terra Wealth’s discretion or the Client’s request. In certain instances, the Client may be required to authorize and enter into an investment management agreement with the TAMP that defines the terms in which the TAMP will provide its services. Terra Wealth Advisors will remain the Client’s primary Advisor and oversee the Client’s investment allocation[s] and overall investment performance. While the TAMP will assume day-to-day investment management of the assets, Terra Wealth will be responsible for establishing the Client’s investment objectives and recommending a TAMP’s investment strategy to meet those objectives. The Client will be provided with the TAMP’s Form ADV Part 2A (or a brochure that makes the appropriate disclosures).

TAMPs may provide back-office administration services to Terra Wealth, which can include research, trading and rebalancing, and administrative services such as Client account paperwork, Client billing, performance reporting, and investment due diligence. Terra Wealth may not utilize all services offered by the TAMP. TAMPs typically rebalance Client portfolios according to the specified model or asset allocation selected by Terra Wealth or according to the TAMP’s models. TAMPs are not responsible for the analysis of Terra Wealth’s Clients’ financial situations, suitability requirements, asset allocations, or investment restrictions.

C. Client-Tailored Advisory Services

Client portfolios are managed on the basis of individual clients' financial situation and investment objectives. Terra Wealth consults with clients on an initial and ongoing basis to assess their specific risk tolerances, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. If clients' financial situations change, or if their investment objectives or risk tolerances change, clients are advised to promptly notify Terra Wealth of such changes. Clients may impose reasonable restrictions on the management of their accounts if Terra Wealth determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Terra Wealth 's management efforts.

D. Wrap Fee Program

Terra Wealth does not place Client assets in a wrap fee program.

E. Assets Under Management

As of July 1, 2024, Terra Wealth manages $340,742,000 in assets under management, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

A. Fee Schedule for Advisory Services

Terra Wealth charges an annual advisory fee based upon the assets under management, average daily balance or a flat dollar fee that is agreed upon with each Client and set forth in an agreement executed by Terra Wealth and the Client. Assets under management fees range up to 2.00%, billed either monthly in arrears or quarterly in advance ("Billing Period"). Quarterly fees are billed based on the assets under management at the end of the previous Billing Period. Monthly fees are billed based on the average daily balance throughout Billing Period. Terra Wealth's advisor fees are negotiable and are based on several factors as described below. The advisory fee for the initial Billing Period (or part thereof) is payable on a pro rata basis based on the initial value of assets deposited into an account managed by Terra Wealth and the number of calendar days in the partial Billing Period and is paid following the establishment of the Client account. For subsequent Billing Periods, the advisory fee is typically payable in advance or arrears. The Advisor may charge fees based on certain legacy arrangements with clients, that differ from the fee details above.

Notwithstanding the foregoing, Terra Wealth and the Client may choose to negotiate an annual advisory fee that varies from the schedule set forth above. Factors upon which a different annual advisory fee may be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The advisory fee charged by the Firm will apply to all of the client's assets under management, unless specifically excluded in the client agreement. The advisory fee may include the financial planning services described above.

Clients have five (5) business days from the date of execution of the client agreement to terminate Terra Wealth's services without being charged a fee. The investment advisory agreement between Terra Wealth and the client may be terminated at will by either Terra Wealth or the client upon written notice. Terra Wealth does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance.

Terra Wealth 's fee generally does not cover mark-ups or mark-downs for fixed income transactions. Fixed income transactions usually are cleared net, without any commissions. However, the broker-dealers executing fixed income transactions typically assess mark-ups or other trading related costs that are embedded into the price of the security allocated to client accounts. Terra Wealth's fee also does not cover transaction fees or "trade away" fees imposed for trades placed away from Fidelity, Inc., the program broker. External Managers of fixed income securities, in particular, may trade through other broker-dealers in order to obtain best execution.

Use of External Managers – For Clients referred by the Advisor to an External Manager, the Client's fee will be deducted from the Client's account[s] by the Advisor and a portion of the fee will be provided to Terra Wealth based on Terra Wealth's agreement with the Client. Terra Wealth is responsible for negotiating the fees with the External Manager on behalf of the Client. Terra Wealth does not receive any compensation or fees from the External Manager. External Manager fees are detailed in the relevant Disclosure Documents and such fees are in addition to the advisory fees paid to Terra Wealth.

Use of TAMPs – As noted in Item 4, the Advisor may periodically recommend and refer Clients to a TAMP. For Client accounts that are managed by a TAMP, the Client's fee will be deducted from the Client's account[s] by the TAMP, or Advisor consistent with the fee schedule above. The Advisor does not earn any compensation from TAMPs and will only earn its investment advisory fee as described above.

Terra Wealth offers its clients financial planning services. Such services, for some clients, may be included as part of the annual advisory fee. Clients may also enter into a separate agreement with Terra Wealth for financial planning services. Such fee is negotiable and is based on either an hourly rate that varies, depending on the experience, knowledge, and skill of those performing the services on behalf of Terra Wealth, or a flat fee agreed upon in writing by Terra Wealth and the client.

The hourly rate for ad-hoc and project-based consultations for clients varies depending on the services provided and the experience, knowledge, and skill of those performing the services on behalf of Terra Wealth. Hourly rates may generally range from $250 to $500 per hour. The scope and charges of all hourly ad-hoc work must be agreed-upon in writing by Terra Wealth and the client before any billing begins.

B. Payment of Fees

Terra Wealth generally deducts its advisory fee from a client's investment account(s) held at his/her custodian. Upon engaging Terra Wealth to manage such account(s), a client grants Terra Wealth this limited authority through a written instruction to the custodian of his/her account(s). The client is responsible to verify the accuracy of the calculation of the advisory fee; the custodian will not determine whether the fee is accurate or properly calculated. See Section A herewith for further information on fee billing. A client may utilize the same procedure for financial planning or consulting fees if the client has investment accounts held at a custodian.

Although clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, Terra Wealth will directly bill a client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

Use of External Managers – For Clients referred by the Advisor to an External Manager, the Client's fee may be separately billed or deducted from the Client's account[s] with the respective manager and a portion of the investment advisory fee may be provided to Terra Wealth. The Advisor may also deduct the entire fee, where a portion of the fee will be remitted to the respective manager.

The custodian of the client's accounts provides each client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the client's account(s), including any fees paid directly to Terra Wealth.

Clients may make additions to and withdrawals from their account at any time, subject to Terra Wealth's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets at any time on notice to Terra Wealth, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Terra Wealth 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.

C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers

In addition to Terra Wealth's advisory fee, Clients will be responsible for the fees and expenses of the custodian(s), underlying mutual funds, ETFs, External Managers and their platform manager (if any), transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), electronic fund and wire fees. Clients should review the applicable prospectuses for additional information about fund fees and expenses. For External Managers, clients should review each manager's Form ADV 2A disclosure brochure and either the contract they sign with the External Manager (in a dual contract relationship) or their Statement of Investment Selection (in a single contract relationship) for additional information about fees and expenses charged.

D. Prepayment of Fees

As noted in Item 5(A) above, Terra Wealth 's advisory fees generally are paid in advance. Upon the termination of a client's advisory relationship, Terra Wealth will issue a refund equal to any unearned management fee for the remainder of the Billing Period. The client may specify how he/she would like such refund issued (i.e., a check sent directly to the client or a check sent to the client's custodian for deposit into his/her account).

Use of External Managers and TAMP
In the event that a Client should wish to terminate their relationship with the External Manager, the terms for the termination will be set forth in the respective agreements between the Client and that External Manager. Terra will assist the Client with the termination and transition as appropriate.

Use of TAMPs – In the event that the Advisor has determined that a TAMP is no longer in the Client's best interest, the terms for the termination will be set forth in the respective agreements between the TAMP and the Client or the Advisor and the Sub-Advisor/TAMP.

E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients

Terra Wealth does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above.

Certain Firm representatives ("advisory persons" or "advisory personnel") who provide investment advice to clients may also be licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients. Insurance commissions earned by advisory persons who are insurance professionals are separate from and in addition to Terra Wealth 's advisory fee. This practice presents a conflict of interest as an advisory person who is an insurance professional may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on client needs. Clients are under no obligation to purchase insurance products through any person affiliated with Terra Wealth.

Certain Firm representatives ("advisory persons" or "advisory personnel") who provide investment advice to clients may also be registered representatives Cape Securities Inc. ("Cape"), securities broker-dealers, and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). Such persons earn commission-based compensation for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Advisory Persons. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any services implemented in an Advisory Person's separate capacity as a registered representative.

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

Terra Wealth does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance based fees. Terra Wealth 's fees are calculated as described in Item 5 above.

Item 7 - Types of Clients

Terra Wealth offers investment advisory services to individuals, including high net worth individuals, families, family offices, trusts, businesses, charitable foundations, and retirement/profit-sharing plans. Terra Wealth generally requires a minimum relationship size of $50,000 to effectively implement its investment process. This amount may be waived or reduced at the sole discretion of the Advisor.

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

A. Methods of Analysis and Risk of Loss

A primary step in Terra Wealth 's investment strategy is getting to know the clients – to understand their financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, Terra Wealth offers clients financial planning that is highly customized and tailored. This comprehensive approach is integral to the way that Terra Wealth does business. Once Terra Wealth has a true understanding of its clients' needs and goals, the investment process can begin, and the Firm can recommend strategies and investments that it believes are aligned with the client's goals and risk profile.

Terra Wealth primarily employs fundamental analysis methods in developing investment strategies for its clients. Research and analysis from Terra Wealth is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

Terra Wealth generally employees a long-term investment strategy for its clients, as consistent with their financial goals. Terra Wealth will typically hold all or a portion of a securities position for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of clients. At times, the Firm may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class.

Terra Wealth has an investment committee. The investment committee selects assets and products from across many asset classes, including variable and fixed annuities, mutual funds and ETFs. Once the investment committee reviews and approves mutual funds and ETFs, they are added to the Firm's model portfolios and approved list and may be purchased for clients. Similarly, Terra Wealth may select External Managers to manage a portion of its clients' assets. The investment committee also reviews and approves the External Managers in which the Firm has placed client assets. Overall investment strategies recommended to each client emphasize long-term ownership of a diversified portfolio of marketable and non-marketable investments intended to provide superior after-tax, inflation-adjusted, economic returns.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Terra Wealth *investment* recommendations.

Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

B. Material Risks Involved

The mutual funds, ETFs, variable and fixed annuities, and External Managers that the Firm frequently invests client assets with or recommends involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund. Mutual funds invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the fund's underlying bond holdings. Fixed income securities may decrease in value as a result of many factors, for example, increases in interest rates or adverse developments with respect to the creditworthiness of the issuer. Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. Returns on mutual fund investments are reduced by management costs and expenses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.

Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements may be highly correlated across securities and funds. A specific fund may not be diversified and a client portfolio may not be diversified. Additionally, when diversification is a client objective, there is risk that the strategies that the Firm uses may not be successful in achieving the desired level of diversification. There is also risk that the strategies, resources, and analytical methods that the Firm uses to identify mutual funds and ETFs will not be successful in identifying investment opportunities.

The following events also could cause mutual funds, ETFs, variable and fixed annuities and other investments managed for clients, as well as those managed by External Managers, to decrease in value:

- Market Risk: The price of an security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- Event Risk: An adverse event affecting a particular company or that company's industry could depress the price of a client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.

- Leverage Risk: The use of leverage may lead to increased volatility of a fund's or ETF's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short- term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.

- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.

- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.

- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- Reinvestment Risk: This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

- Operational Risk: Mutual fund advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF or mutual fund.

- Regulatory/Legislative Developments Risk: Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities.

- Illiquid Securities: Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:

  - typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;

  - have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;

  - are more difficult for to monitor and value due to a lack of transparency and publicly available information about these funds;

  - may have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and

  - involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

Use of External Managers

Terra Wealth may select certain External Managers to manage a portion of its clients' assets. In these situations, Terra Wealth conducts due diligence of such managers, but the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Terra Wealth generally may not have the ability to supervise the External Managers on a day-to-day basis.

Unusual Risks of Specific Securities

Risk Associated with Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the company's shares.

Risks Associated with Closed-End Funds

Closed-end funds typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.

Risks Associated with Structured Notes

<u>Complexity</u>. Structured notes are complex financial instruments. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff

structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

Market risk. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility.

Issuance price and note value. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The estimated value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

Liquidity. The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.

Credit risk. Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

Options risk. Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller being obligated to either settle the option in cash or to acquire or deliver the underlying interest. If the option is on a future, the seller will acquire a position in a future with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited.

Cybersecurity Risk

The computer systems, networks and devices used by Terra Wealth and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Terra Wealth and the integrity of Terra Wealth's management. Terra Wealth has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Recommendation of External Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio with one or more External Managers. The Advisor does not receive any compensation nor does this present a material conflict of interest. The Advisor will only earn its advisory fee as described in Item 5A.

Licensed Insurance Agents

Certain Advisory Persons may be licensed insurance agents affiliated with an entity owned by Terra Wealth, LLC, Terra Wealth Risk Management LLC , and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that

Terra Wealth recommends the purchase of insurance products where its Advisory Persons may be entitled to insurance commissions or other additional compensation. Clients are under no obligation to purchase insurance products through any person affiliated with Terra Wealth. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

Registered Representatives.

Advisory Persons of the Advisor implement securities transactions, acting in their capacity as registered representatives, on a commission basis through Cape. In such instances, the Advisory Persons will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Persons in his or her capacity as a registered representative is separate from and in addition to the Advisor's advisory fee charged on Client assets held in advisory accounts. The receipt of such compensation by an Advisory Persons presents a conflict of interest, as an Advisory Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions and 12b-1 fees rather than solely based on Client needs. Moreover, Clients may be able to obtain these products less expensively through sources other than Cape that do not generate compensation for the Advisory Person. The Advisor addresses this conflict through disclosure and additionally notes that the Advisor does not charge advisory fees on assets where Advisory Persons, acting in their capacity as registered representatives, receive brokerage compensation. The Advisor additionally notes that Clients are under no obligation to purchase securities products through Cape or the Advisory Persons, may choose brokers or agents not affiliated with the Advisor or Cape, and in some cases could purchase products directly from fund companies without paying brokerage compensation. The Advisor and its Advisory Persons endeavor to provide Clients with the benefit of holistic advice on all assets for which the Advisor and its personnel are compensated, including compensation through brokerage commissions and 12b-1 trails.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

Description of Code of Ethics

> Terra Wealth has a Code of Ethics (the "Code") which requires Terra Wealth 's employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Terra Wealth for review by the Firm's

Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Terra Wealth will provide a copy of the Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Terra Wealth generally recommends that its investment management clients utilize the custody and brokerage services of an unaffiliated broker/dealer custodian (a "BD/Custodian") with which Terra Wealth has an institutional relationship. Currently, this includes Fidelity Institutional, a division of Fidelity Brokerage Services, LLC. ("Fidelity"), which is a FINRA-registered broker-dealer and member of SIPC and a "Qualified Custodian" as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed in client accounts by Terra Wealth. If your accounts are custodied at Fidelity, Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While Terra Wealth recommends that clients use Fidelity as BD/Custodian, clients decide whether to do so and open accounts with Fidelity by entering into an account agreement directly with Fidelity. Terra Wealth does not open an account with Fidelity for clients.

In deciding to recommend Fidelity, some of the factors that Terra Wealth considers include:

- combination of transaction execution services along with asset custody service;
- order execution and the ability to provide accurate and timely execution, clearing and settlement of trades;
- capabilities to facilitate transfers and payments to and from accounts;
- the reasonableness and competitiveness of services, including commission rates and other fees and transaction costs;
- access to a broad range of investment products, including stocks, bonds, mutual funds, and exchange-traded funds;
- availability of investment research and tools that assist the Firm in making investment decisions;
- quality of services;
- access to trading desks;
- technology that integrates within Terra Wealth's environment, including interfacing with Terra Wealth's portfolio management system;
- a dedicated service or back office team and its ability to process requests from Terra Wealth on behalf of its clients;
- ability to provide Terra Wealth with access to client account information through an institutional website;

- ability to provide clients with electronic access to account information and investment and research tools; and
- reputation, financial strength, and stability.

Terra Wealth may place portfolio transactions through the BD/Custodian where the clients' accounts are custodied. In exchange for using the services of the BD/Custodian, Terra Wealth may receive, without cost, computer software and related systems support that allows Terra Wealth to monitor and service its clients' accounts maintained with such BD/Custodian.

Products and Services Available to the Firm from Fidelity

Fidelity provides the Firm's clients and the Firm with access to its institutional brokerage trading, custody and reporting and related services – many of which are not available typically to Fidelity retail customers. Fidelity also makes available to the Firm various support services, some of which help the Firm manage or administer client accounts while others help the Firm manage and grow the business.

Clients benefit from Fidelity's institutional brokerage services, which include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which the Firm might not otherwise have access or that would require a significantly higher minimum investment by clients.

Fidelity also makes available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist the Firm in managing and administering client accounts. They include investment research, both Fidelity's own and that of third parties. Terra Wealth may use this research to service all or some substantial number of client accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Fidelity may also provide the Firm with other benefits such as occasional business entertainment of Firm personnel.

Transition-related expenses

In connection with the launch of Terra Wealth and the Firm's intention to recommend that clients custody their assets with Fidelity, Fidelity has agreed to provide Terra Wealth with reimbursement of Transfer or Account Exit Fees for accounts transferred within 12 months. These funds will be used toward fees client accounts will bear if the accounts are transferred to Fidelity. Fidelity has also agreed to pay for eligible third party vendor services and services provided by Fidelity affiliates for marketing, technology, consulting, or research expenses. Terra Wealth will also receive benefits related to marketing services and the use of client relationship management ("CRM") systems.

These products and services from Fidelity benefit Terra Wealth in that Terra Wealth does not have to purchase them. The benefits may incentivize Terra Wealth to routinely recommend Fidelity as custodian over custodians who do not offer such products and services.

Terra Wealth will periodically review its arrangements with the BD/Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. 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 broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;

- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;

- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;

- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and

- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

As described above, Fidelity provides to Terra Wealth research and trade execution services. Fidelity makes these services available to similarly situated investment advisers whose clients custody their assets with Fidelity. Access to research and trade execution services is not predicated on the execution of client securities transactions (e.g., not "soft dollars.") Terra Wealth has not entered into any formal "soft dollar" arrangements with broker-dealers.

Terra Wealth 's clients may utilize qualified custodians other than Fidelity for certain accounts and assets, particularly where clients have a previous relationship with such qualified custodians.

Brokerage for Client Referrals

Terra Wealth does not select or recommend broker-dealers based solely on whether or not it may receive client referrals from a broker-dealer or third party.

Client-Directed Brokerage: Generally, in the absence of specific instructions to the contrary, for brokerage accounts that clients engage Terra Wealth to manage on a discretionary basis, Terra Wealth has full discretion with respect to securities transactions placed in the accounts. This discretion includes the authority, without prior notice to the client, to buy and sell securities for the client's account and establish and affect securities transactions through the BD/Custodian of the client's account or other broker-dealers selected by Terra Wealth. In selecting a broker-dealer to execute a client's securities transactions, Terra Wealth seeks prompt execution of orders at favorable prices.

A client, however, may instruct Terra Wealth to custody his/her account at a specific broker-dealer and/or direct some or all of his/her brokerage transactions to a specific broker-dealer. In directing brokerage transactions, a client should consider whether the commission expenses, execution, clearance, settlement capabilities, and custodian fees, if any, are comparable to those that would result if Terra Wealth exercised its discretion in selecting the broker-dealer to execute the transactions. Directing brokerage to a particular broker-dealer may involve the following disadvantages to a directed brokerage client:

- Terra Wealth 's ability to negotiate commission rates and other terms on behalf of such clients could be impaired;
- such clients could be denied the benefit of Terra Wealth's experience in selecting broker-dealers that are able to efficiently execute difficult trades;
- opportunities to obtain lower transaction costs and better prices by aggregating (batching) the client's orders with orders for other clients could be limited; and
- the client could receive less favorable prices on securities transactions because Terra Wealth may place transaction orders for directed brokerage clients after placing batched transaction orders for other clients.

In addition to accounts managed by Terra Wealth on a discretionary basis where the client has directed the brokerage of his/her account(s), certain institutional accounts may be managed by Terra Wealth on a non-discretionary basis and are held at custodians selected by the institutional client. The decision to use a particular custodian and/or broker-dealer generally resides with the institutional client. Terra Wealth endeavors to understand the trading and execution capabilities of any such custodian and/or broker-dealer, as well as its costs and fees. Terra Wealth may assist the institutional client in facilitating trading and other instructions to the custodian and/or broker-dealer in carrying out Terra Wealth 's investment recommendations.

Trade Errors

Terra Wealth's goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error occurs, Terra Wealth endeavors to identify the error in a timely manner, correct the error so that the client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at Fidelity, or another BD, as the case may be. In the event an error is made in a client account custodied elsewhere, Terra Wealth works directly with the broker in question to take corrective action. In all cases, Terra Wealth will take the appropriate measures to return the client's account to its intended position.

Trade Aggregation

To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's supervised persons may invest, the Firm will generally do so in a fair equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Firm.

Item 13 – Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Terra Wealth monitors investment advisory portfolios as part of a continuous and ongoing process. Terra Wealth advisors have at least one annual meeting with each client to conduct a formal review the clients' account. These reviews may include the following:

- compare the account's allocation with stated goals and client cash-flows at time of review;
- review holdings and consider alternatives;
- monitor the size of individual securities relevant to their sectors, asset classes, and overall account size;
- analyze an account's composition and performance, income, appreciation, gains/losses, and asset allocation; and

- assess its performance.

Factors that may trigger an additional review, other than a periodic review, include material market, economic or political events, known significant changes in a client's financial situation and/or objectives, and large deposits or withdrawals form the accounts. Clients are encouraged to notify Terra Wealth if changes occur in the client's personal financial situation that might adversely affect the client's investment plan.

B. Other Reviews

Terra Wealth may perform compliance and/or supervisory reviews of a sampling of client accounts. These reviews may include comparing an account's strategy and/or allocation to the account's stated objectives, reviewing commission and transaction costs borne by the account, and reviewing the billing rate and charges.

C. Content and Frequency of Regular Reports Provided to Clients

Clients will receive brokerage statements no less than quarterly from the qualified custodian. These brokerage statements are sent directly from the custodian to the client. The client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the client's account[s]. The client advisor may also provide clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

Certain advisory persons of the Advisor may refer clients to use a particular software toe help further support the clients overall financial situation. Advisory persons will receive a percentage of the fee collected by the software company. This creates a potential conflict of interest because Advisory Persons have an incentive to recommend the software even if it is not the best option for the client. The Advisor has policies and procedures to mitigate this conflict of interest. Before making any referral, Advisory Persons must conduct a thorough review of the Client's needs and objectives and validate that the software will help support the meeting those needs. If the Advisor determines that the software is not appropriate for the client. Clients are under no obligation to utilize the software.

Certain Advisory Persons will receive compensation for referring Clients to engage the services of an attorney or an accountant ("Professional"). This creates a potential conflict of interest as Advisory Persons are incentivized to recommend these Professionals. The Advisor has conducted a review of the Professional's qualifications prior to any referral recommendation to the Client. Additionally, the Advisor does not require the Client to engage particular attorney or accountant, where Clients will engage any Professional at their own discretion.

B. Compensation for Client Referrals

Terra Wealth does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

Item 15 – Custody

All clients must utilize a “qualified custodian” as detailed in item 12. Clients are required to engage the custodian to retain their funds and securities and direct Terra Wealth to utilize the custodian for the client’s securities transactions. Terra Wealth ’s agreement with clients and/or the clients’ separate agreement with the B/D Custodian may authorize Terra Wealth through such BD/Custodian to debit the client’s account for Terra Wealth’s fee and to directly remit that fee to Terra Wealth in accordance with applicable custody rules.

The BD/Custodian recommended by Terra Wealth has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Terra Wealth. Terra Wealth encourages clients to review the official statements provided by the custodian, and to compare such statements with investment reports received from Terra Wealth. For more information about Custodians and brokerage practices, see “Item 12 - Brokerage Practices.”

Item 16 – Investment Discretion

Terra Wealth provides clients with discretionary and non-discretionary advisory services. Clients have the option of providing Terra Wealth with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Terra Wealth ’s client agreement. By granting Terra Wealth investment discretion, a client authorizes Terra Wealth to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be affected. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Terra Wealth .

Item 17 – Voting Client Securities

Terra Wealth does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios.

Item 18 – Financial Information

A. Balance Sheet

Terra Wealth does not require prepayment of more than $1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this Brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Terra Wealth nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Years

Terra Wealth has not been the subject of a bankruptcy petition.