



PARADIGM ADVISORS, LLC

8201 Preston Rd, Suite 310
Dallas TX 75225
214.756.6066

310 West Dickson, Suite 220
Fayetteville, Arkansas 72701
479.777.2727

Firm Brochure – Form ADV Part 2A

This Brochure provides information about the qualifications and business practices of Paradigm Advisors, LLC (“Paradigm”). If you have any questions about the contents of this Brochure, please contact us at (214) 756-6066 or email at pallc@paradv.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.

Paradigm Advisors, LLC is registered as an Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Paradigm is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the firm’s identification number.

Version Date: August 31, 2026

Item 2: Material Changes

This section describes the material changes since the last filing to Paradigm Advisors, LLC Form ADV Part 2A.

Since our last annual amendment, dated March 27, 2026, Paradigm Advisors has made the following material changes, which are intended to more accurately describe our current business practices:

- **Item 4 (Advisory Business):** added a description of our investment management process, including the assignment of each client account to a model portfolio constructed from low-cost, broadly diversified exchange-traded funds — principally funds managed by Dimensional Fund Advisors — and our approach to ongoing management and rebalancing.
- **Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss):** removed descriptions of methods of analysis we do not employ; added a description of our passive, model-based investment process; and updated the risk disclosures to reflect the securities our model portfolios actually hold, including foreign and emerging markets and real estate securities risks.
- **Item 12 (Brokerage Practices):** revised to state that we generally do not aggregate (“block”) client orders and to describe the effects of placing orders individually, including that clients trading the same security on the same day may receive different prices; and revised our custodian disclosure to describe our arrangement with Fidelity/NFS, its operation as a form of directed brokerage, and the benefits we receive from Fidelity.
- **Item 13 (Review of Accounts):** revised to describe our account review practices — ongoing reviews by the advisory team and a comprehensive review of each client’s accounts and financial situation at least semi-annually — and our rebalancing cadence, including the potential conflict of interest in the sequencing of account reviews and trades.

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Item 4: Advisory Business

Description of Advisory Firm

Paradigm Advisors, LLC ("Paradigm") is a Texas limited liability company that was formed in December 1995. Michelle Underwood Gass and William Kirk Dunk control Paradigm.

As of December 31, 2025, Paradigm currently reports \$136,135,723 in discretionary Assets Under Management and \$0 in non-discretionary assets.

Types of Advisory Services

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to each client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

To implement that policy, we assign each client account to one of a series of model portfolios maintained by the firm. Our model portfolios are currently constructed from low-cost, broadly diversified exchange-traded funds — principally funds managed by Dimensional Fund Advisors — allocated across equity and fixed income asset classes in weightings corresponding to each model's target risk level. We may also use mutual funds where we believe they are appropriate, and client accounts may hold cash positions in money market funds and mutual fund positions transferred in by clients. We manage each account against its assigned model on an ongoing basis, taking into account the client's cash flow needs, tax considerations (including tax-loss harvesting where appropriate), and any client-imposed restrictions. Accounts are rebalanced toward model targets approximately every six months and in connection with client contributions and withdrawals. Our investment methodology, brokerage practices, and account

review processes are described further in Items 8, 12, and 13 of this brochure.

Comprehensive Financial Planning

This service involves working one-on-one with a planner over an extended period of time. By paying a monthly/quarterly retainer, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefits, retirement planning, insurance, investments, college planning and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with a detailed comprehensive financial plan designed to achieve his or her stated financial goals and objectives. If a follow-up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed-upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

Financial Planning

We provide financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits and estate and incapacity planning.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from

their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives and develop a plan aimed at achieving your goals.

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time to time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach

them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal and how much you should budget for your goal.

- **Insurance:** We will review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker-dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Personal Tax Return Preparation

We provide tax preparation services for our clients to assist with the filing of federal and state tax returns for individuals and businesses. We may ask for an explanation or clarification of some items, but we will not audit or otherwise verify client data. The client is responsible for the completeness and accuracy of information used to prepare the returns. Our responsibility is to prepare the returns in accordance with applicable tax laws. We will utilize the services of a third-party accounting, bookkeeping, and tax preparation firm to facilitate the preparation and filing of your tax return and we will work with you and the third party in order to gather the necessary information as part of this service.

We may observe opportunities for tax savings that require planning or changes in the way the client handles some transactions. While an engagement for tax return preparation does not include significant tax planning services, we will share any ideas we have with you and discuss terms for any additional work that may be required to implement those ideas.

Client-Tailored Services and Client-Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Strategy which outlines each client's current situation (income, tax levels and risk tolerance levels) and is used to construct a client-specific plan to aid in the selection of a portfolio that matches restrictions, needs and targets. Clients may place restrictions on investing in certain securities.

Wrap Fee Programs

We do not participate in wrap fee programs.

Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory

fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Investment Management Services

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$1 - \$500,000	0.75%
Next \$1,000,000	0.60%
Next \$1,500,000	0.50%
\$3,000,000 and Above	0.40%

The annual fees are negotiable and are prorated and paid quarterly, in arrears, based on the account's average daily balance for the prior quarter. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. For example, an account valued at \$2,000,000 would pay an effective fee of 0.6125%. This is determined by the following calculation: $(\$500,000 \times 0.75\%) + (\$1,000,000 \times 0.60\%) + (\$500,000 \times 0.50\%) = \$12,250.00$. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement. Our minimum account fee is \$250, and our minimum account size is \$10,000. Therefore, a client could pay a rate of as much as 2.5% on a \$10,000 account.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 30 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client and any earned, unpaid fees will be due and payable up to and including the effective date of termination. Paradigm will not bill an amount above \$500.00 more than 6 months in advance.

Comprehensive Financial Planning

Comprehensive Financial Planning consists of an initial fee ranging from \$6,000 to \$75,000 for the first year and an ongoing fee in subsequent years at the rate ranging from \$400 to \$6,000

per month. Fees are based upon the complexity of the situation and the needs of the client and are payable monthly or quarterly, in advance. Fees may be negotiable in certain cases. This service may be terminated with 30 days' notice. Upon termination of any account, the fee will be prorated, and any unearned fee will be refunded to the client.

Financial Planning

Financial Planning will generally be offered on a fixed-fee basis. In special circumstances it may be offered on an hourly basis at a rate of \$150 to \$400 per hour, depending on the nature of the specified services. Fixed fees will be determined on a case-by-case basis with the fee based on the complexity of the situation and the needs of the client. The fixed fee will be agreed upon before the start of any work. The fixed fee can range between \$2,500 and \$90,000. The fee is negotiable. If a fixed-fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due at completion of work; however, Paradigm will not bill an amount above \$500.00 more than 6 months in advance.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as custodial fees, 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. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not charge performance-based fees to any accounts.

Item 7: Types of Clients

We provide financial planning and portfolio management services to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, corporations or other businesses.

Our minimum account size requirement is \$10,000.

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

When clients have us complete an Investment Analysis (described in Item 4 of this brochure) as part of their financial plan, we employ a strategic asset allocation strategy. After the strategy has been developed, presented to and agreed upon by the client, we implement the desired asset allocation almost exclusively via passive investment management products.

Passive Investment Management

We primarily practice passive investment management. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

While we are not limited in the types of investments we may recommend, we implement client portfolios almost exclusively with low-cost, broadly diversified exchange-traded funds that systematically capture the returns of their target asset classes — principally funds managed by Dimensional Fund Advisors ("DFA"). We may also use mutual funds where appropriate. We selected DFA funds after evaluating alternative fund families based on diversification, systematic methodology, cost, liquidity, and tax efficiency, and we periodically re-evaluate the funds we use. Neither Paradigm nor any of its personnel receives compensation of any kind from DFA or any other fund sponsor.

Our portfolio construction process begins with a review of each client's complete financial situation, including specific cash needs over the next three-, five-, and ten-year periods, the suitability of an investment strategy, and the client's risk tolerance. We discuss the proposed strategy with the client before implementing it. Each managed account is then assigned to a model portfolio at an equity and fixed income weighting appropriate to the client's circumstances. Our models are globally diversified across U.S., international developed, and emerging markets equity, global real estate, and U.S. and global fixed income. We do not time

markets, select individual securities for client portfolios, or use leverage or derivatives. When we receive legacy securities positions in a taxable account, we do not automatically liquidate them; we analyze the tax implications and consider the timing of any repositioning.

Passive investment management is characterized by low portfolio expenses (i.e., the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity) and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: Paradigm's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Foreign and Emerging Markets Risk: Our model portfolios include allocations to international developed and emerging markets securities through the underlying funds. Foreign investments involve risks not typically associated with U.S. investments, including currency fluctuation, political and economic instability, differing regulatory and accounting standards, and less liquid markets. These risks are generally greater for emerging markets.

Real Estate Securities Risk: Our model portfolios include allocations to real estate securities through the underlying funds. Real estate securities are subject to risks associated with the ownership of real estate, including declines in property values, changes in interest rates, and changes in economic conditions and regulation affecting the real estate industry.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically and, in the event of an issuer's bankruptcy or restructuring, could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero-coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the

level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Paradigm has no control over the risks taken by the underlying funds in which clients invest.

Client accounts may temporarily hold legacy securities positions transferred in by clients, including individual stocks or bonds, which are subject to the risks of the specific securities involved pending tax-aware repositioning.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Paradigm or the integrity of our management. We have no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Paradigm does not have any related parties. As a result, we do not have a relationship with any related parties.

No management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Paradigm does not recommend or select other investment advisers for its client accounts.

Paradigm only receives compensation directly from clients. We do not receive compensation from any outside source, although we receive certain support services and benefits from our custodian, Fidelity, as described in Item 12 of this brochure.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We will, upon request, promptly provide a complete code of ethics.

Our firm and its "related persons" (associates, their immediate family members, etc.) may buy or sell securities the same as, similar to or different from those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing

from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related person receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Additionally, Paradigm requires adherence to its Insider Trading Policy and the CFA Institute's Asset Manager Code of Professional Conduct and Code of Ethics and Standards of Professional Conduct.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Paradigm does not have any affiliation with broker-dealers. We recommend that clients custody their assets at Fidelity Investments, and client trades are generally executed through Fidelity's affiliated broker-dealer, National Financial Services LLC ("NFS"). We selected Fidelity based on its execution quality, financial strength, operational capability, breadth of services, and cost to clients, and we periodically evaluate the continued use of Fidelity against reasonably available alternatives through a documented best execution review. Because substantially all client accounts are custodied at Fidelity and trades are executed through NFS rather than directed to other broker-dealers, this arrangement operates as a form of directed brokerage: we may be unable to achieve the most favorable execution for every transaction, and clients may pay transaction costs that are higher or lower than those available at other broker-dealers. We receive certain benefits from Fidelity that are generally made available to investment advisers using its platform, including access to research and industry and practice-management education, and our personnel have occasionally attended industry conferences. We receive no compensation from Fidelity for directing client trades.

1. Research and Other Soft-Dollar Benefits

We currently have no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for the firm by individual trades, we place in client accounts. However, the custodian provides us with certain brokerage and research products

and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for clients to use; however, clients may custody their assets at a custodian of their choice under certain circumstances. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve best execution for transactions. Clients may end up paying more than if using a lower-cost custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we do not aggregate (or "block") client orders. Each client account is traded individually against its assigned model portfolio, and trades are entered in the order in which account reviews or trade requests are completed, without regard to account size, fee arrangements, or any affiliation with our firm. As a result, clients trading the same security on the same day may receive different execution prices, and some clients may receive more or less favorable prices than others. In addition, because orders are not aggregated, clients may not benefit from any volume discounts or reduced transaction costs that might otherwise be available through block trading. We enter trades as limit orders priced near the prevailing market price, which is designed to allow prompt execution while protecting client orders from executing at anomalous prices in moments of thin liquidity. Accounts owned by our firm or persons associated with our firm are traded in the same manner as client accounts and will not be given preferential treatment.

Item 13: Review of Accounts

Client accounts receiving Investment Management Services are reviewed on an ongoing basis by the advisory team. Ongoing reviews evaluate each account's asset allocation relative to its assigned model portfolio, cash balances, performance relative to like-managed accounts, and adherence to any client-imposed restrictions. In addition, we conduct a comprehensive review of each client's accounts and overall financial situation at least semi-annually.

Events that may trigger a review outside the regular cycle include unusual performance, excessive drawdown or volatility, material client contributions or withdrawals, changes to

client-imposed restrictions, or changes in a client's circumstances.

Accounts are generally rebalanced toward their model portfolio targets approximately every six months, and additionally in connection with client contributions, withdrawals, and distributions, taking into consideration the tax consequences of each proposed trade. Because we generally do not aggregate client orders, as described in Item 12 above, accounts that are reviewed and rebalanced earlier in a rebalancing cycle may receive different prices than accounts traded later on the same day, which presents a potential conflict of interest in the sequencing of reviews. We address this by trading each account against its own model in highly liquid exchange-traded funds and mutual funds, by entering trades in the order in which reviews or trade tasks are completed, and by not sequencing reviews or trades based on account size, fee arrangements, or any affiliation with the firm. No client account is intentionally given priority over any other client account in determining the order in which accounts are reviewed.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly written statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Paradigm will not provide regular written reports to Investment Management clients.

Item 14: Client Referrals and Other Compensation

Other than the support services and benefits we receive from our custodian, Fidelity, as described in Item 12 of this brochure, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

The withdrawal of management fees from a client's custodial account is Paradigm's only form of custody. Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets. These statements will show the deduction of the management fees. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements

based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may place restrictions on investing in certain securities.

Item 17: Voting Client Securities

We do not vote client proxies. Therefore, clients maintain exclusive responsibility for: (1) voting proxies and (2) acting on corporate actions pertaining to the client's investment assets. The client shall instruct the client's qualified custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.