



Item 1 – Cover Page

Xception Advisor Services, LLC
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Date of Disclosure Brochure: August 2025

Xception Family Office (“Xception”) is applying to be a United States Securities and Exchange Commission (“SEC”) registered investment adviser. This brochure provides information about the qualifications and business practices of Xception Family Office. If you have any questions about the contents of this disclosure brochure, please contact Patrick Callahan at (404) 524-7900.

The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Xception Family Office is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The firm will report material changes to this disclosure brochure as they are made.

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Item 4 – Advisory Business

Xception Advisory Services, LLC (DBA Xception Family Office) is an SEC registered investment adviser and is a limited liability company (LLC) formed under the laws of the State of Georgia August 20, 2025.

Patrick Callahan the sole owner and Managing Member of Xception Advisory Group, LLC. Xception Advisory Group, LLC is 90% owner of Xception Family Office.

Introduction

The investment advisory services of Xception Family Office are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Xception Family Office (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of Xception Family Office. Please understand that a written Investment Advisory Agreement, which details the exact terms of the service, must be signed by you and Xception Family Office, or assigned, before providing you the services described below.

Investment Management Services: Xception offers clients a broad range of financial planning and consulting services, which may include any or all of the functions of Business Planning, Cash Flow Forecasting, Trust and Estate Planning, Financial Reporting, Investment Consulting, Insurance Planning, Retirement Planning, Risk Management, Charitable Giving, Distribution Planning, Tax Planning, and Manager Due Diligence and Selection.

Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Xception under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify Xception of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's recommendations and/or services.

Wealth Management Services: Xception provides clients with wealth management services which include a broad range of comprehensive financial planning and consulting services as well as discretionary management of investment portfolios. Xception primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. Xception may also recommend that certain eligible clients invest in alternative investment vehicles including, but not limited to, privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). When appropriate and fully disclosed, Xception may recommend investment products which require longer-term commitments from its clients. Xception shall provide continuous monitoring of such investments to include annual due diligence, performance tracking, amendment processing and capital call assistance.

Where appropriate, Xception may also provide advice about legacy positions or other investments held in client portfolios. Clients may engage Xception to manage and/or advise on certain investment products that are not maintained at their primary custodian. In these situations, the firm directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Xception tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis that client portfolios are managed in a manner consistent with those needs and objectives. The firm consults with clients on an initial and ongoing basis to assess their specific investment objectives. Clients are advised to promptly notify the firm if there are any changes to their financial situation or if they wish to place any limitations on the management of their portfolio.

Clients may impose reasonable restrictions or mandates on the management of their accounts if Xception
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determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the firm's efforts.

Use of Independent Managers: Xception may select certain Independent Managers to actively manage a portion of its client's assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Managers engaged to manage their assets.

Xception evaluates a variety of information about Independent Managers, which may include the Independent Manager's disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its client's individual portfolio allocations and risk exposure. The firm also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors. Xception continues to provide services relative to the discretionary selection of the Independent Managers. On an ongoing basis, the firm monitors the performance of those accounts being managed by Independent Managers.

It is important that you understand that we manage investments for other clients and may give them advice or take action for them or for our personal accounts that is different from the advice we provide, or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts. We may buy or sell securities in which Xception Family Office' clients may also transact business in.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Limits Advice to Certain Types of Investments

Xception Family Office reserves the right to provide advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may also modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, real estate, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Tailor Advisory Services to Individual Needs of Clients

Xception Family Office's advisory services are always provided based on your individual needs. This means, for example, that when we provide portfolio management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with Xception Family Office's investment philosophy or strategies, or where the prospective client seeks to impose unduly restrictive investment guidelines.

Client Assets Managed by Xception Family Office

Xception advises approximately \$0 in discretionary client assets and \$0 in non- discretionary assets.

Item 5 – Fees and Compensation

In addition to the information provided in Item 4 – Advisory Business, this section provides more details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Xception Family Office.

Fees charged for our advisory services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly basis as designated in your agreement, calculated based on the average daily market value of your account during the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period.

Services continue in effect until terminated by either party by providing a 30-day written notice of termination to the other party. When fees are billed in arrears, Xception Family Office will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment for fees paid in arrears.

The annual fee for asset management services will vary between 0.35% and 1.00%. We generally require \$5,000,000 in investable assets but make exceptions on a case-by-case basis.

Xception Family Office believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, the annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund, ETF, or third-party manager level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. See Item 15 – Custody for more details.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Xception Family Office does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Xception Family Office in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges., IRA and qualified retirement plan fees, variable annuity charges, fees charged by third-party separate account managers, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Xception Family Office are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Xception Family Office may also charge retainer or service fees for financial planning and consulting services which shall be disclosed in writing where applicable.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Xception Family Office does not collect any performance-based fees from you.

Item 7 – Types of Clients

Xception Family Office generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals and families
- Corporations
- Trusts, estates, or charitable organizations

You are required to execute a written investment management agreement with Xception Family Office in order to establish a client arrangement with us.

Minimum Investment Amounts Required

Xception typically requires a minimum of \$5,000,000 in investable assets to open an account except under circumstances where the firm exercises the right to exempt a client from this requirement. To reach this account minimum, clients may aggregate all household accounts.

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

Xception begins their analysis by understanding the unique objectives of each client, including but not limited to, liquidity needs, risk tolerance, time horizon, return expectations, and taxation factors. Xception believes the most meaningful drivers of returns over time are based on asset allocation versus focusing on specific security selection and market timing. Xception's philosophy is to invest in asset classes that are most attractively priced based on each class's expected future cash flows (i.e., domestic stocks, international developed market stocks, emerging market stocks, municipal bonds, corporate bonds, high yield, etc.). Each asset class is classified into categories by capitalization (i.e., large, mid, small etc.), style (i.e., value and growth), and credit quality (i.e., investment grade and below investment grade). In evaluating the various asset classes, the firm develops and maintains 10-year forward looking capital market assumptions. Xception also takes into consideration historical returns and volatility when determining allocations. In addition to using various statistical metrics to evaluate valuation, the firm factors in macro-economic and geopolitical environments and their potential effects. Xception believes in striving to minimize volatility given the level of risk a client is willing to take in an effort to increase a portfolio's compound growth rate over time. In order to dampen volatility, Xception can incorporate the use of various alternative assets that historically have had less correlation to traditional stocks, bonds, and cash.

Once a portfolio is constructed, exposure to securities is gained through a blend of passive investment vehicles and active third-party managers either through mutual funds or separately managed accounts. Xception believes in certain elements of the efficient market hypothesis and therefore uses passive investments at lower cost to achieve returns consistent with markets they believe to be efficient. For markets where Xception believes alpha or outperformance can be gained, the firm will select unaffiliated third-party managers that each focus on various sub-segments of the stock market (i.e., small cap growth companies).

During the initial due diligence stage of selecting a sub-advisor or independent manager, various quantitative metrics are evaluated to better understand a manager's track record, risk tolerance, and style consistency. A manager's return history is reviewed to determine how the strategy performed relative to its benchmark and peer group from a total return perspective across various market environments. The firm also analyzes several risk-based performance metrics that measure how that manager performed relative to the volatility (or risk) incurred and how well the strategy protected principal in historical market drawdowns. Correlations between the strategy and existing portfolio positions are also considered so that overall portfolio volatility may be reduced by the

manager's inclusion. Other quantitative data points that are assessed include a manager's cost, portfolio diversification, strategy size, and historical style consistency. Xception also focuses on the management team and investment philosophy behind the strategy. Where necessary, interviews may be conducted with each potential manager to evaluate the processes involved in terms of security selection, portfolio construction, and risk management. Ideally, each manager will have a long-term track record with the strategy in question through

at least one full market cycle. The firm also assesses the support system available to the management team which may include dedicated analysts, traders, and risk management personnel. Risk management teams and systems are reviewed to help avoid unintentional risk taking and help maintain proper diversification parameters.

There are risks involved in using any analysis method.

To conduct analysis, Xception Family Office gathers information from discussions with management, inspection of corporate activities, research materials prepared by others, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

Investment Strategies

We do not primarily recommend one type of security to clients. Investment strategies employed are varied and are highly dependent upon the specific needs and investment objectives of each client. Xception will utilize traditional investment products such as bonds, ETFs and mutual funds, structured notes, and alternative investments such as structured products, fund of funds, limited partnerships, private equity, and private placements that present the opportunity to hedge client portfolios in down markets as well as make critical use of non-correlated asset classes. Where appropriate, Xception may write covered options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time. Generally, the use of options will be utilized on a case by case basis and typically be used to hedge down-side risk or earn income related to a client's concentrated position.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal. Because of the inherent risk of loss associated with investing, the firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk. Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk. When investing in an ETF or mutual fund, you will bear Management Risk. Your investment with the firm varies with the success and failure of the investment strategies, research, analysis and determination of portfolio securities. If the investment strategies do not produce the expected returns, the value of the investment will decrease.
- Use of Independent Managers. Xception will for certain client portfolios select Independent Managers to manage a portion of its clients' assets. In these situations, Xception continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. Xception conducts routine periodic due diligence of Independent Manager strategies.
- Use of Private Collective Investment Vehicles. Xception recommends, for qualified clients, investments in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments traded and no requirement to diversify. Hedge funds trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.
- Master Limited Partnerships ("MLPs"). MLPs are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and can be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation, and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.
- Real Estate Investment Trusts (REITs). Xception, when real estate exposure is appropriate, may recommend investments in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Mortgage related holdings have additional concerns pertaining to interest rates, inflation, liquidity, and counterparty risk.
- Structured Products. Xception, for certain qualified clients, may recommend investments in, or allocate assets among, various structured products. Structured products are unsecured obligations of an issuer with a return, generally paid at maturity, which is linked to the performance of an underlying asset. In addition to the risks that apply to all investments in securities, investing in structured products involves different types of risk and possibly greater levels of risk. These risks

include, but are not limited to the following:

- Issuer credit risk. A structured product is an unsecured obligation of the applicable issuer. Any payment on a structured product, including any repayment of principal, is subject to the creditworthiness of the issuer. If the issuer becomes bankrupt or is unable to pay its obligations as they come due, investors will lose some or all of an investment.
 - Risk of loss. Many structured products subject you to the downside market risk of the underlying asset. Depending on the product, investors may lose some or all of the investment if the underlying asset's value declines. If Xception sells a structured product before it matures, clients may lose some or all of the investment, regardless of any market risk reduction feature the product offers.
 - Potential returns can be limited. Investors may not participate in the growth potential of the underlying asset beyond a certain limit or at all.
 - Performance before maturity. In addition to the performance of the underlying asset, structured product fees and market factors, such as fluctuations in interest rates, that influence the price of bonds and options generally will also affect the value of a structured product before it matures. Therefore, the value of a structured product before it matures can be more or less than its initial price and provide a substantial return.
- Liquidity. Xception, where appropriate, may recommend investments intended for longer-term investment, such as private real estate opportunities. These types of investments are less liquid, meaning funds are not readily available for withdrawal by the client. The risk of illiquidity shall be measured against the potential return of the product and the position size as well as the client's investment specific return and investment objectives to ensure the risk is appropriate.
 - Use of Margin. While the use of margin borrowing can substantially improve returns, it also increases overall portfolio risk. Margin transactions are generally affected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution can liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. Fluctuations in the amount of a client's borrowings and the corresponding interest rates can have a significant effect on the profitability and stability of a portfolio.

Item 9 Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events to be disclosed by Xception Family Office. The firm determines whether an incident is reportable based on the materiality and in accordance with applicable regulatory guidance.

Item 10 Other Financial Industry Activities and Affiliations

Xception Family Office is not and does not have a related person that is a municipal securities dealer, government securities dealer or broker, an investment company (including a mutual fund, closed-end investment company, unit investment trust, or private investment company), or a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Xception Family Office is an independent registered investment adviser and only provides investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us. Xception Family Office has associates that may have an affiliation with another registered broker dealer, insurance company or agency and may provide other approved financial planning services.

Our firm also has affiliated individuals who participate in legal work as attorneys. All attorney-related activities are disclosed and handled separately through Kan & Clark LLP. Retainers obtained from this legal work are unrelated to Xception Family Office, unless explicitly disclosed in writing.

Patrick Callahan, principal of Xception Family Office and owner and managing member of Xception Advisory Group, LLC has the following outside business activities which are continuously monitored for compliance and to avoid any conflicts of interest in Xception Family Office' business matters:

- Xception Advisory Group, LLC (90% Owner of Xception Family Office, LLC)
- Kan & Clark LLP
- Hightower Advisers, LLC (SEC Registered Investment Advisor)
- Hightower Securities, LLC (FINRA Registered Broker Dealer)
- Wellspring Planning Group, LLC (State Registered Investment Advisor)

In such capacity, associates may transact business and receive normal and customary payments for outside activities. You are under no obligation to purchase any products or implement any recommendations from any outside association from our affiliated individuals.

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

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Xception Family Office has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons.

All employees, officers, directors and investment adviser representatives are classified as supervised persons. Xception Family Office requires its supervised persons to consistently act in your best interest in all advisory activities. Xception Family Office imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Xception Family Office. If you wish to review the Code of Ethics in its entirety, you should send a written request and upon receipt of your request we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Xception Family Office or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. Xception Family Office and its associated persons will not buy or sell securities for personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with the firm unless the information is also available to the investing public and not considered insider information. It is the express policy of Xception Family Office that all persons associated in any manner with the firm must place clients' interests ahead of their own when implementing personal investments

We are and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for representatives, employees and their immediate family members.

- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts where the security isn't widely traded and there isn't adequate trading volume and liquidity to prevent any impact on pricing. Xception Family Office has procedures in place to review the personal security transactions of all associates to ensure strict adherence to this policy.

- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment and deemed insider trading.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Xception Family Office.

Any associated person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial planning recommendations of Xception Family Office. If the firm assists in the implementation of any recommendations, we are responsible to ensuring that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back-office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

Brokerage Recommendations

Xception will be authorized to buy and sell securities, to place portfolio transactions with securities brokers-dealers, and to negotiate the terms of such transactions, including brokerage commissions on brokerage transactions.

The primary responsibility regarding portfolio transactions is to seek the best combination of price and execution. When executing transactions, Xception considers all factors it deems relevant, including breadth in the market in the security, the price of the security, the financial condition and execution capability of the broker or dealer and reasonableness of the commission. Transactions in the over-the-counter market are executed with primary market makers acting as principal except where it is believed better prices or execution may be obtained elsewhere. In selecting brokers or dealers to execute particular transactions and in evaluating the best net price and execution available, Xception considers brokerage and research services and other information provided.

Xception generally recommends clients utilize the custody, brokerage and clearing services of Charles Schwab & Co., Inc. Advisor Services and Fidelity Institutional Wealth Management Services for investment management accounts. Factors Xception considers in recommending Schwab, Fidelity, or any other custodians to clients include their respective financial strength, reputation, execution, pricing, research, and service. Schwab and Fidelity enable Xception to obtain mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab and Fidelity may be higher or lower than those charged by other Financial Institutions.

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

Directed Brokerage

Xception does not routinely recommend, request, or require that clients 'direct executions through a specified broker-dealer. We will, however, make every effort to accommodate a request to direct brokerage to a client's chosen broker-dealer.

Clients may establish an account at another broker via a Prime Broker or similar-type account. This prime broker arrangement allows Xception to place trades with other broker-dealers without the need to have individual accounts with other broker-dealers. Clients will negotiate the terms and arrangements with their broker-dealer of choice and all assets will be kept in an account with their preferred broker-dealer. Trades will be routed to other broker-dealers and positions transferred into or out of the prime brokerage, or similar account on a DVP/RVP basis. Execution partners include Schwab, Fidelity, and other broker-dealers with which Xception enters into an executing agreement. Xception selects other broker-dealers for execution based on the quality of research, services, products offered, execution, and commission structures. The lowest-cost broker-dealer is not always utilized. Xception has not entered into any formal soft-dollar arrangements nor does Xception receive any referrals from broker-dealers available through prime brokerage services.

Handling Trade Errors

Xception Family Office has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of Xception Family Office to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by Xception Family Office if the error is caused by Xception Family Office. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. Xception Family Office may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

Xception Family Office will never benefit or profit from trade errors.

Block Trading Policy

Xception generally trades each account separately and does not participate in block trading or trade aggregation that requires allocation procedures.

Soft Dollar Benefits Provided by Financial Institutions

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Xception does not have a soft dollar agreement with a broker-dealer or a third-party but may trade using third party brokerage in recognition of those brokers' research capabilities.

Brokerage for Client Referrals

Xception does not receive client referrals for brokerage.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as

brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

All portfolios are monitored on a regular basis for performance, outlook and suitability based on client's objectives. Account reviews with clients may be quarterly, annually, or ad hoc, as requested by the client and are conducted by the assigned advisor. It is the client's responsibility to notify Xception of any changes in financial situation or circumstances that would materially impact the services or recommendations Xception provides.

Statements and Reports

For our portfolio management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian. Additionally, Xception Family Office may provide position or performance reports to you upon request.

You are encouraged to always compare any reports or statements provided by me against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact the firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Xception Family Office does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services are the fees charged for providing investment advisory services as described in Item 5 of this Disclosure Brochure. Xception Family Office receives no other form of compensation in connection with providing investment advice.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Xception Family Office is deemed to have custody of client funds and securities whenever Xception Family Office holds the authority to have fees deducted directly from client accounts. However, this is the only form of custody Xception Family Office will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Xception Family Office is deemed to have custody, we will have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and registration in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Xception Family Office. When clients have questions about their account statements, they should contact Xception Family Office or the qualified custodian preparing the statement.

When fees are deducted from an account, Xception Family Office is responsible for calculating the fee and delivering instructions to the custodian. At the same time Xception Family Office instructs the custodian to deduct fees from your account; the custodian will make available to the client an itemization of the fee. Itemization will

include the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

When providing asset management services, Xception Family Office maintains trading authorization over your Account and can provide management services on a discretionary basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold, the broker or dealer to be used and the commission rates paid for your portfolio without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Xception Family Office or choose a non-discretionary arrangement so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Xception Family Office does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may have proxy materials forwarded to us by indicating so on their Agreement. This is only as a convenience, as clients cannot “opt out” of receiving proxy materials from the custodian, however we will not vote them. You may contact us with questions relating to proxy procedures and proposals; however, we generally do not research particular proxy proposals.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Xception Family Office does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Xception has not been the subject of a bankruptcy petition at any time.

Business Continuity Statement

Xception Family Office has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees’ lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms’ employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

Customer Privacy Policy Notice

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment adviser firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to non-affiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure.

Xception Family Office is committed to safeguarding the confidential information of its clients. Xception Family Office holds all personal information provided by clients in the strictest confidence and it is the objective of Xception Family Office to protect the privacy of all clients. Except as permitted or required by law, Xception Family Office does not share confidential information about clients with non-affiliated parties. In the event that there were to be a change in this policy, Xception Family Office will provide clients with written notice and clients will be provided an opportunity to direct Xception as to whether such disclosure is permissible.

To conduct regular business, Xception Family Office may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to Xception.
- Information about the client's transactions implemented by Xception or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service and provide related services for client accounts, it is necessary for Xception to provide access to customer information within the firm and to non-affiliated companies with whom Xception has entered into agreements. To provide the utmost service, Xception may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on Xception's behalf.

- Information Xception received from the client on applications (name, Social Security number, address, assets, etc.)
- Information about the client's transactions with Xception or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with Xception

Since Xception Family Office shares non-public information solely to service client accounts, Xception does not disclose any non-public personal information about Xception's customers or former customers to anyone, except as permitted by law. However, Xception Family Office may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that Xception has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, Xception Family Office will allow its clients the opportunity to opt out of such disclosure.

