

## Item 1: Introduction

Xponance, Inc. is registered with the Securities and Exchange Commission as an investment adviser, and we provide investment advisory services rather than brokerage services. Investment advisory services and brokerage services and fees differ, and it is important for the retail client to understand the differences. This document provides a summary of the types of services we provide and how you, “the client,” pay.

Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*“What investment services and advice can you provide me?”*

- Xponance provides asset management and investment advisory services to institutional clients and to individuals who are employees or former employees of the firm.
- *Monitoring:* Xponance offers advice on a regular basis in accordance with the investment guidelines of the strategy selected by the client. Retail client accounts are monitored on a daily basis.
- *Investment Authority:* Xponance exercises discretion over retail accounts pursuant to an investment management agreement, which allows Xponance to buy and sell investments in the client’s account, without asking the client in advance.
- *Limited Investment Offering:* Xponance offers its retail clients single-manager equity strategies only. These strategies are implemented using stocks. Retail clients are not permitted to invest in our multi-manager or fixed income strategies, primarily due to the minimum account sizes for such products.
- *Account Minimums and Other Requirements:* There is no account minimum for the strategies offered to retail clients.

**For more information about Xponance’s services please refer to our firm’s ADV Part 2A - Items 4, 7, 8, 13 & 16**

**Conversation Starters:** “Given my financial situation, should I choose an investment advisory service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications?” “What do these qualifications mean?”

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*“What fees will I pay?”*

- Retail clients pay Xponance an advisory fee for managing their account. Generally, fees are based upon assets under management (AUM) and fee structures are tiered based upon the amount of AUM for each product (*e.g.*, large cap, small cap). Fees are charged on a quarterly basis in arrears. The asset-based fee reduces the value of your account and will be deducted from your account.
- Retail clients may also choose to participate in a Wrap Program structure where Xponance serves as a sub-adviser to a Wrap Program sponsor (“Wrap Program”). The Wrap Program fee includes brokerage expenses (*e.g.*, commissions, ticket charges and other transaction costs) and custody fees, in addition to the management fee paid to the Wrap Program sponsor, who pays Xponance an investment management fee. The all-inclusive Wrap Program fees are typically higher than non-wrap account fees.
- The more assets we manage for you, including cash, the more you will pay us. We therefore have an incentive to encourage you to increase the assets in your account. You pay our fee quarterly, in arrears, even if you do not buy or sell securities.
- Xponance manages assets for certain institutional clients on a performance fee basis. Potential conflicts of interest are raised when we manage asset-based fee accounts alongside performance-based fee accounts. Performance-based fees increase as performance increases, which creates an incentive for us to favor these accounts in trade execution or investment allocation, or to take increased risk.
- *Description of Other Fees and Costs:* Retail clients who have separately managed (non-wrap) accounts will pay commissions to the broker for transactions made in their account. These commissions could be asset-based or

transaction-based. Retail clients with separately managed accounts will also pay custody fees to the broker-dealer or bank that holds, or maintains custody of, their assets.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**For more information about Xponance’s services please refer to our firm's ADV Part 2A - Items 5 & 6**

**Conversation Starter:** “Help me understand how these fees and costs might affect my investment. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

*“What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?”*

**“When we act as your investment adviser,** we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Xponance manages assets of certain individuals and entities that have a managerial role or ownership interest in the firm. These employee and proprietary accounts could benefit from market activity as a result of trading in other client accounts. Employees are permitted to invest in securities owned by clients. As such, our employees may have an incentive to give themselves priority when trading.

**For more information about Xponance’s services please refer to our firm's ADV Part 2A - Items 10, 11, 12 & 14**

**Conversation Starter:** “How might your conflicts of interest affect me, and how will you address them?”

*“How do your financial professionals make money?”*

Xponance’s financial professionals receive an annual salary and a discretionary bonus. Certain financial professionals also receive compensation as equity owners of the firm and/or its affiliates.

**For more information about Xponance’s services please refer to our firm's ADV Part 2A - Items 5, 10 & 14**

## Item 4: Disciplinary History

*“Do you or your financial professionals have legal or disciplinary history?”*

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research Xponance and our financial professionals.

**Conversation Starter:** “As a financial professional, do you have any disciplinary history?” “For what type of conduct?”

**For more information about Xponance’s services please refer to our firm's ADV Part 2A - Item 9**

## Item 5: Additional Information

For Additional Information and details about Xponance, please see Xponance’s Form ADV at:

<https://reports.adviserinfo.sec.gov/reports/ADV/111126/PDF/111126.pdf>

To request a copy of the relationship summary and up-to-date information please contact us at (919) 688-8600 or you may also visit our website at [www.xponance.com](http://www.xponance.com).

**Conversation Starter:** “Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”

This Form CRS amends our disclosure dated March 27, 2024. There are no material changes.