



## COASTAL INVESTMENT ADVISORS, INC. CODE OF ETHICS

### I. Introduction

The Code of Ethics<sup>1</sup> is a compilation of basic principles of conduct for which you, as a Firm access person, are responsible for knowing and following. These principles represent values critical to our clients<sup>2</sup> and others to conduct our business with honesty and integrity. The Code has been adopted to protect the reputation and integrity of Coastal Investment Advisors, Inc. its access persons and to assist access persons in following uniform standards of ethical conduct.

The term "access person" in the Code means each director, officer, partner of Coastal; and each supervised person of Coastal who, (i) has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any mutual fund advised or distributed by Coastal or an affiliate, or (ii) is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

The Code of Ethics governs the actions and working relationships of access persons with current or potential clients, consumers, other Firm access persons, competitors, suppliers, government representatives, the media, and anyone else with whom the Firm has contact. In these relationships, access persons must observe the highest standards of ethical conduct. The success of Coastal as a provider of financial services is built upon the trust and confidential relationships maintained between Coastal and its clients. Therefore, each access person is expected in all business matters to place Coastal's interests above his or her own self-interest and to discuss with Compliance any proposed transaction or relationship that reasonably could be expected to give rise to a conflict of interest.

Access persons must resolve any doubt as to the meaning of the Code in favor of good, ethical judgment. **It is the responsibility of each access person to avoid even an appearance of impropriety.**

Implicit in the Code of Ethics is Coastal's policy that both Coastal and its access persons comply with the law. The law prescribes a minimum standard of conduct; the Code of Ethics prescribes conduct that often exceeds the legal standard. Any request made of an access person by any supervisor carries with it, whether articulated, the understanding that the access person is to comply with the request only to the extent he or she can do so while complying nothing with the law and his Code of Ethics.

The requirements of this Code of Ethics are in addition to Coastal's Policies and Procedures Manual (effective as of May 1, 2021). And in certain instances, areas of Coastal have their own unique policies governing subjects covered by the Code of Ethics due to their lines of business. Access persons must read and comply with these additional policies and procedures.

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<sup>1</sup> Rule 204A-1 under the Investment Advisers Act of 1940 requires Coastal Investment Advisors and all other investment advisors registered with the Securities and Exchange Commission to adopt codes of ethics that set forth standards of conduct and requires compliance with federal securities laws.

<sup>2</sup> The term "client" includes issuers and sponsors of securities, their parents, affiliates, advisers, and subsidiaries, with whom Coastal or its affiliates has a selling or placement agreement.



## **II. Fiduciary Duty, General Principles, and Standards of Conduct**

The Code of Ethics is based on the principle that Coastal and each of its employees owe a fiduciary duty to its clients and a duty to comply with federal and state securities laws and all other applicable laws. These duties include the obligation of access persons to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients.

### **A. Conflicts of Interest**

Access persons always have the duty to place the interests of clients first.

Access persons have the duty to conduct all personal securities transactions in a manner consistent with the Code and in such a manner to avoid any actual or potential conflict or abuse of a position of trust and responsibility.

Access persons must refrain from actions or activities that allow a person to profit or benefit from his or her position with respect to a client, or that otherwise bring into question the access person's independence or judgment.

All personal securities transactions by access persons must be accomplished to avoid even the appearance of a conflict of interest with the client.

Access persons are prohibited from engaging or investing in any business that directly or indirectly competes with services provided by Coastal or any subsidiary of the Firm, except where such an investment represents insignificant ownership in a publicly traded company.

### **Outside Business Activities**

Access persons are prohibited from accepting employment or engaging in a business (including consulting and similar arrangements or arrangements with competitors) that may conflict with the performance of their duties or Coastal's interest. All outside business activities require prior approval by Compliance.

### **Holding Office/Appointments**

Access persons must avoid appointments, including fiduciary appointments, which may conflict with the performance of their duties for Coastal or otherwise interfere with their employment relationship with the Firm. All fiduciary appointments, except those on behalf of the access person's immediate family members ("Immediate family member" means a person's child, parent, spouse, sibling, and in-laws) must be approved by Compliance which may require execution of a hold harmless agreement by the beneficiary. Access persons are prohibited from maintaining trusteeships and other fiduciary appointments for their own clients other than immediate family members.

### **Providing Legal, Tax, Accounting, or Investment Advice**

Access persons are prohibited from providing clients with legal, tax, accounting, or investment advice not in the usual course of business; or recommending attorneys, accountants, securities dealers,

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insurance agents, brokers, real estate agents, or other service providers if the advising access person receives a personal reciprocal benefit (e.g., cash and non-cash compensation) for the referral from the service provider. (Note that referrals to service providers are permissible if the access person does not receive a personal reciprocal benefit for that referral.)

## **B. Confidentiality and Use of Non-Public Information**

Non-public information regarding Coastal its business, access persons, clients, suppliers, or consumers is confidential. Access persons may not purposefully access or view such information without a business justification, disclose such information, or use it for trading in securities or for other personal gain during or after employment, except that access persons may use confidential information to perform their job duties.

Access persons are prohibited for taking for themselves personally opportunities that are discovered through the use of Coastal's proprietary, non-public information (such as processes, programs, software, and business information and plans) about Coastal or its businesses, or position, even if developed by the access person either within or outside of the access person's area of responsibility, or using corporate property, information or position for personal gain, or competing with Coastal.

### **Privacy**

Access persons may be restricted from accessing, sharing, or using certain information across Firm affiliates and from sharing information with external third parties, except as allowed by law. Access persons must not view or request access to information unless a valid business purpose exists.

### **Use of Coastal Information and Technology**

Access persons are prohibited from misusing Coastal's information technology and electronic communications system, including accessing or distributing pornographic or other distasteful information or materials containing offensive, sexually explicit or harassing language, sending chain letters, or conducting excessive personal business.

Access persons are prohibited from permitting Firm property (including data transmitted or stored electronically and computer resources) to be damaged, lost, used, or intercepted in an unauthorized manner.

### **Client Trade and Personal Information**

Access persons are prohibited from revealing any proposed transactions in securities by one client to another client, any employee of Coastal, or any other person.

Access persons are prohibited from disclosing information about a client and his or her account to persons outside Coastal or its affiliates without the client's approval.

### **Insider Trading**

Access persons are prohibited from effecting securities transactions while in the possession of material, non-public information. Access persons are also prohibited from disclosing such information to others.



The prohibition against insider trading applies not only to the security to which the inside information relates, but also to related securities, such as options or convertible securities.

If access persons receive inside information, they are prohibited from trading on that information, whether for the account of Coastal or any client, or their own account, any accounts in which they have a direct or indirect beneficial interest (including accounts for family members) or any other account over which they have control, discretionary authority, or power of attorney. Access persons are prohibited from effecting transactions based on knowledge of material, non-public information.

### **Trading in the Stock of Firm Clients, Suppliers or Vendors**

No access person may invest in the securities of a client of Coastal if the access person participates in or is expected to participate in transactions involving, or is responsible for, extensions of credit to the client or if the client's securities are publicly traded and the access person has non-public information concerning the client at the time of the proposed investment. If the access person participates in or is responsible for decisions involving non-credit business transactions with the clients, the access person must comply with any investment policy applicable to the access person's line of business before making an investment in the client's securities. In no case may the access person invest in the client's securities until after making disclosure of the proposed investment to the access person's immediate supervisor, to the person approving the transaction with the client, and Compliance.

No access person may invest in the securities of a supplier or vendor if the access person participates or is expected to participate in or is responsible for decisions involving business transactions with the supplier or vendor or if the securities are publicly traded and the access person has nonpublic information about the supplier or vendor at the time of the proposed investment. If an access person has an existing investment in the securities of a supplier or vendor of Coastal and such access person participates or is expected to participate in or is responsible for decisions involving business transactions with the vendor or supplier, the access person shall promptly disclose the investment to his or her immediate supervisor and Compliance, and shall refrain from further participation in such decisions unless expressly authorized in writing by his or her immediate supervisor and Compliance.

## **C. Gifts and Entertainment and Anti-Corruption**

### **Accepting Gifts**

Access persons may not solicit gifts or gratuities from clients or other persons with business dealings with Coastal. Access persons are not permitted to accept gifts from outside vendors currently doing business with Coastal or seeking future business without the written approval of Compliance. This policy does not include customary business lunches or entertainment; promotional items (caps, T-shirts, pens, etc.); or gifts of nominal (less than \$100.00) value. When accepting gifts from clients or other business-related persons, the access person is required to submit the Gift Approval Form to his or her supervisor.

### **Entertainment**

Entertainment of clients or prospective clients must be reasonable and not so expensive it raises a suggestion of unethical conduct. All entertainment and related expenses must be detailed on an expense form with receipts attached for expenses over \$25.00. Expense forms should be submitted to the appropriate supervisor within 30 days of incurring the expenses.

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The limitation on gifts and gratuities does not apply to usual business entertainment such as dinners or sporting events where the access person hosts the entertainment, though such expenses should be reasonable. "Entertainment" includes a broad range of activities such as trips, parties, and other activities where an access person hosts someone related to Coastal's business. Questions regarding the reasonableness of proposed entertainment and related expenses should be referred to Compliance.

## **Bribes**

No access person may offer or solicit explicit inducements to or from access persons or representatives of other institutions or foreign governmental or political officials to obtain business. Entertainment and gifts in reasonable amounts are not included in this prohibition.

Access persons are prohibited from soliciting or demanding anything of value from any person in conjunction with the performance of their duties to Coastal (other than normal compensation received from Coastal).

## **Political Contributions**

Access persons are prohibited from making any political contribution of money or other property on behalf of Coastal that would violate federal or state law.

## **D. Other Prohibited Activities**

### **Investment Recommendations**

No access person shall in connection with the recommendation of a security held or to be acquired or sold by any client shall: employ any device, scheme or artifice to defraud such client; make any untrue statement of a material fact or omit to state a material fact necessary in order to make the recommendation made not misleading; engage in any act, practice, or course of business that would operate as a fraud or deceit upon such client; or engage in any manipulative practice with respect to such client.

### **Investment Opportunity**

An access persons must offer an investment opportunity first to clients before he or she or Coastal may act on that opportunity.

### **Market Timing and Short-Swing Trading**

No access person may engage in prohibited market timing of the shares of a mutual fund without approval from the Chief Compliance Officer, and such Chief Compliance Officer shall withhold such approval if the mutual funds are affiliated with Coastal.

### **Interest in Securities**

No access person shall recommend any transaction in any securities by any client without having disclosed his or her interest, if any, in such securities or the issuer thereof, including:

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- the access person's beneficial ownership of any securities of such issuer;
- any contemplated transaction by the access person in such securities;
- any position the access person has with such issuer; and
- any present or proposed business relationship between such issuer and the access person (or a party in which the access person has a significant interest).

## **IPOs and Private Placements**

No access person may:

- acquire a security in an initial public offering or a private placement without the written consent of the Chief Compliance Officer;
- acquire a security in an initial public offering if he or she is a registered representative of a broker-dealer;
- make a wrongful arrangement or a wrongful quid pro quo of any kind with clients in exchange for IPO allocations; or
- share profits or losses with a client who receives an IPO allocation or allocations.

## **High Pressure Sales Tactics**

Access persons will not engage in high pressure sales tactics which may include excessive telephone calls, implying that a price may change on a security if the client does not act immediately, or falsely representing that there is a limited supply of a security at a particular price.

## **Rumors**

No access person may spread any rumors or misinformation that the access person knows to be false or misleading. This includes rumors of a sensational character that might reasonably be expected to affect market conditions. Discussion of unsubstantiated information published by a widely circulated public media is not prohibited providing the source and unsubstantiated nature are also disclosed.

## **Guarantees of Approval**

Access persons may not disseminate any information that falsely states or implies guarantees or approval of securities by the government or other institution such as government guarantee of securities that carry no such guarantee. SIPC may not be misrepresented as a guarantor of a client's account against losses from transactions.

## **Guarantees Against Loss**

Access persons are prohibited from guaranteeing a client against loss in any securities transaction. Options or written agreements that establish the future price of a transaction such as repurchase agreements are not included in this prohibition.



### **Sharing in Gains and Losses**

Access persons are prohibited from sharing in client's profits or losses of securities transactions through a joint account otherwise.

### **Discretionary Trades**

Access persons are prohibited from making discretionary trades for a client who had not given Coastal written authority to make such discretionary trades.

### **Use of Coastal Name**

Access persons may not use Coastal's name in any manner which could be reasonably misinterpreted to indicate a tie-in between Coastal and any outside activity of the access person.

### **Personal Funds Deposited in Client Accounts**

Access persons are not permitted to deposit personal funds or securities in clients' accounts or deposit clients' personal funds or securities in associated person accounts. The same prohibitions apply to withdrawals.

### **Fees or Other Compensation**

Access persons are not permitted to charge fees or assess other charges to clients or clients' accounts unless they are expressly permitted by Coastal. Access persons are prohibited from accepting personal fees, other compensation paid, or expenses paid or reimbursed from others, not in the usual course of Coastal's business, in connection with any business or transaction involving Coastal.

Access persons are prohibited from rebating to anyone, directly or indirectly, any fees or compensation received.

Access persons are prohibited from knowingly benefitting from an error, including but not limited to payment of compensation (including incentive payments) or travel and entertainment expense reimbursement, without disclosing the error.

### **Settling Complaints or Errors Directly with Clients**

Access persons may not make payments to clients of any kind to resolve an error or client complaint. Errors and complaints must be brought to the attention of the access person's designated supervisor.

### **Loans with Clients or Third Parties**

Access persons are prohibited from borrowing or accepting money from clients or suppliers unless the client or supplier is a financial institution that makes such loans in the ordinary course of its business.





## **Acting Without Registration**

No access person may engage in activities that require registration (selling securities, soliciting accounts, trading, etc.) unless registered in the appropriate capacities.

## **Signing Documents and Client Signatures**

Access persons are not permitted to sign documents on behalf of clients, even when doing so is meant to accommodate a client's request. Client signatures must be original by the client on all documents. Access persons likewise may not sign documents on behalf of principals or supervisors. Access persons must send complete sets of documents to clients for signature – sending a signature page only is impermissible. Access persons and clients may not back-date any document submitted to the Firm.

## **E. Internal Accounting Controls, Communications, and Public Disclosure**

### **Internal Accounting Controls**

It is the legal responsibility of Coastal to develop and maintain systems of internal accounting controls that permit the preparation of its financial statements in accordance with applicable laws, rules, and accounting principles. No one shall, directly or indirectly, knowingly falsify or cause to be falsified any book, record, or account of the Firm. This includes expense accounts, approval of invoices submitted by vendors, records of transactions with customers, records of disposition of company assets, records of consumers, or any other record.

Any access person who becomes aware, directly, or indirectly, of inadequate controls, a failure of controls, or a circumvention of controls, or that transactions or other items are improperly recorded on Coastal's books or records, must promptly report the situation to Compliance

### **Full And Fair Disclosure**

Access persons are required to make full, fair, accurate, timely, and understandable disclosure in reports and documents that Coastal files with, or submits to, the Securities and Exchange Commission, SROs, government agencies, and in other public communications made by Coastal.

### **Communications with the Public**

All access persons' communications with the public shall be fair and balanced. Communications about fees must be accurate and balanced.

If a communication includes a recommendation of securities, it must have a reasonable basis and disclose any conflicts of interest involving the access person and/or Coastal.

## **F. Compliance with Laws, Rules, and Regulations**

Each access person of Coastal shall act on Coastal's behalf in a manner that complies with all laws, rules, and regulations under which Coastal must operate. Any access person who becomes aware, either directly or indirectly, of an access person's violation of a law involving a breach of trust must report the violation promptly to Compliance.



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If an access person becomes aware of or suspects embezzlement, false entries in Coastal's records, false statements to Coastal's regulators, false statements by clients or consumers (where the associated person knows that the statement is false or has reason to inquire as to its falseness), or any fraud or potential fraud, or other criminal violation involving Coastal, its access persons or clients, such access person must immediately contact Compliance.

An access person who is convicted of a crime (other than a minor traffic offense) or found liable for an offense that subjects the access person to a disciplinary or licensure order by a regulatory agency or self-regulatory organization, must promptly report the event to Compliance. In addition, an access person who is charged with (but not convicted) of a crime involving a breach of trust, dishonesty, substance abuse, money laundering, or a felony, or is charged with (but not found liable) of an offense by a regulatory agency or self-regulatory organization that may result in a disciplinary or licensure order must promptly report the event to Compliance. Failure to report the above is a violation of the Code.

Each access persons shall immediately notify the Chief Compliance Officer if he or she becomes the subject of an investment-advisory action involving:

- an investigation or government proceeding;
- any refusal of registration or injunction, censure, fine or other disciplinary action imposed by a regulatory body;
- any litigation or arbitration;
- any bankruptcy proceedings;
- any civil litigation;
- any arrest, summons, subpoena, indictment or conviction for a criminal offense; or
- any other event that might require disclosure to clients or disclosure on Form ADV.

Each access person must cooperate fully with a request by Coastal to investigate of the associated person. Failure to do so is a violation of the Code.

- Reporting Securities Trades and Holdings

## Access Person Reporting

Each access person shall report on the Securities Transaction Report Form all transactions in securities in which such access person has acquired any direct or indirect beneficial ownership, **unless** such report would duplicate information contained in trade confirmations or account statements that Coastal holds in its records, provided Coastal has received those confirmations or statements not later than 30 days after the close of the calendar quarter in which the transaction takes place.

## Report Deadline

Reports shall be filed with the Chief Compliance Officer within twenty days after the end of each calendar quarter. An access person need not file a report covering a quarterly period if he or she had no personal securities transactions during that quarter.



## Securities Transaction Report Form

The Securities Transaction Report Form filed pursuant to this Section shall contain the following information:

- Name of the access person making the report;
- Date of the transaction;
- Title and number of shares involved;
- Exchange ticker symbol or CUSIP of shares;
- Principal amount of each Security involved;
- Nature of the transaction (buy or sell);
- Price at which transaction was effected; and
- Name of the broker-dealer, bank, or other financial institution through whom the transaction was effected.

Each access person must file a report of his or her personal securities holdings (i) at the time the person became an access person; and (ii) at least once a year thereafter in the Annual Securities Transaction Report Form. Such reports must be current as of a date not more than 45 days prior to the individual becoming an access person or the date the Annual Securities Transaction Report is submitted.

## Broker-Dealer Confirmations and Account Statements

Every access person who opens an account at a broker-dealer or other financial institution to personally trade securities shall:

- immediately notify the Chief Compliance Officer of the opening of such account; and
- send a Broker Confirmation Letter to each such broker-dealer or other financial institution directing them to provide Coastal with a duplicate copy of each confirmation and periodic account statement issued to such access person.

Access persons may open an account to personally trade securities only at those broker-dealers or other financial institutions that agree to electronically deliver to Coastal all trade information of the access person.

## Private Placements

Each access person who owns securities acquired in a private placement shall disclose such ownership to the Chief Compliance Officer if such person participates in any subsequent consideration of an investment in the issuer by a client.

## Review

- **Periodic Review.** The Chief Compliance Officer or designated supervisor shall periodically review and compare reported transactions of random access persons in securities with the transactions of:

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- the access person indicated on his or her confirmations and account statements;
  - comparable clients of Coastal;
  - the securities on any watch or restricted lists; and
  - the securities of issuers recently engaged in making IPOs.
- **Review Methodology.** The above reviews may be accomplished through review of flags generated by Smart Station supervision and review of the access person's transactions, or as part of a branch inspection. The access person's trade confirmations, account statements, trade blotters, or order tickets—at Coastal or an outside firm if applicable—may part of these reviews. The purpose of these reviews will be to determine if the access person has violated these procedures by failing to report required securities transactions.
  - **Suspected Violations.** If the Chief Compliance Officer suspects that an access person has violated these procedures, he or she shall investigate the alleged violation, and, as a part of that investigation, allow the access person an opportunity to explain why the violation occurred or did not occur.
  - **Violation Report.** If the Chief Compliance Officer concludes that an access person has violated these procedures, he, or she shall submit a report of such violation, his or her investigation of such violation, and his or her recommendation on what steps should be taken to address such violation, including recommending sanctions for the access person who committed the violation.
  - **Patterns.** The Chief Compliance Officer shall periodically review trades of the access person in past periods—both reported and unreported trades—to find patterns or deviation from patterns (e.g., a spike in personal trades).

### III. Enforcement of the Code

#### A. Reporting Violations

Access persons have an obligation to report potential ethics violations to Compliance. Compliance will maintain the confidentiality of the individual reporting the possible violation; the access person may also report anonymously the identity of the parties involved. Retaliation against access persons who report possible violations is strictly prohibited and will subject those who retaliate with disciplinary action which may include termination.

The Chief Compliance Officer will investigate reports of violations and take actions as appropriate. When investigating a possible violation, the Chief Compliance Officer will give such person an opportunity to supply additional information regarding the transaction or incident in question.

#### B. Supervision

It is the responsibility of each supervisor to train and supervise access persons so that they can perform their jobs in a competent manner and in conformity with Coastal's policies, including the Code of Ethics. When assigning responsibilities to an access person, it is the supervisor's responsibility to ensure that the access person has demonstrated the capability to discharge the assigned responsibility in conformity with the Code of Ethics. It is also the supervisor's responsibility to ensure that all access person questions concerning the operation and requirements of the Code of Ethics are fully addressed.

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The Chief Compliance Officer is responsible for administration of the Code of Ethics and updating the Code when necessary.

## **C. Consequences for Non-Compliance**

Any access person who directly or indirectly violates a provision of this Code, or engages in illegal or improper behavior, will be subject to disciplinary action, up to and including termination of employment. Coastal may impose a range of possible disciplinary actions, including the following: forfeiture of future discretionary compensation, cancelling trades, selling positions at a loss, reprimand, fine, suspension of employment, and termination of employment.

The Chief Compliance Officer in consultation with Senior Management will determine the appropriate level of discipline and will collaborate with the access persons' supervisor who will be copied on any communications to the access person concerning the disciplinary action.