

# Olimpio Neu & Associates, Inc.

15770 Dallas Pkwy  
Suite 200  
Dallas, TX 75248

Phone: 972-392-1344  
Fax: 972-392-1655

[www.olimpiofinancialgroup.com](http://www.olimpiofinancialgroup.com)

November 16, 2011

*This disclosure brochure provides clients with information about the qualifications and business practices of Olimpio Neu & Associates, Inc., an independent investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). It also describes the services Olimpio Neu & Associates, Inc. provides as well as background information on those individuals who provide investment advisory services on behalf of Olimpio Neu & Associates, Inc. Please contact Brian Neu, Chief Compliance Officer of Olimpio Neu & Associates, Inc., at 972-392-1344 if you have any questions about the contents of this disclosure brochure.*

*The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Olimpio Neu & Associates, Inc. or any individual providing investment advisory services on behalf of Olimpio Neu & Associates, Inc. possess a certain level of skill or training. Additional information about Olimpio Neu & Associates, Inc. is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Olimpio Neu & Associates, Inc. is 114752.*

Table of Contents

---

|  |          |
|--|----------|
| <b>ADVISORY BUSINESS .....</b>   | <b>1</b> |
| Our Company  |          |
| Our Services   |          |
| Our Assets Under Management  |          |
| <b>FEES AND COMPENSATION .....</b>   | <b>3</b> |
| Investment Management Fees   |          |
| Financial Planning Fees  |          |
| Important Additional Information   |          |
| <b>PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>  | <b>5</b> |
| <b>TYPES OF CLIENTS .....</b>  | <b>6</b> |
| Engaging the Services of ONA   |          |
| Conditions for Managing Accounts   |          |
| <b>METHODS OF ANALYSIS, INVESTMENT STRATEGIES<br/>AND RISK OF LOSS .....</b>                           | <b>6</b> |
| Types of Investments   |          |
| Investment Strategies  |          |
| Security Analysis  |          |
| Sources of Information   |          |
| Risk   |          |
| Cash Management  |          |
| <b>DISCIPLINARY INFORMATION .....</b>  | <b>8</b> |
| <b>OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>                                      | <b>9</b> |
| <b>CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT<br/>TRANSACTIONS AND PERSONAL TRADING .....</b> | <b>9</b> |
| Our Code of Ethics.  |          |
| Prohibition on Use of Insider Information  |          |
| Participation or Interest in Client Transactions   |          |

Table of Contents

---

|  |               |
|--|---------------|
| <b>BROKERAGE PRACTICES .....</b>                         | <b>10</b>     |
| Best Execution   |               |
| Broker Analysis  |               |
| Research/Soft Dollar Benefits                            |               |
| Brokerage Selection                                      |               |
| Trade Aggregation/Allocation                             |               |
| <br><b>REVIEW OF ACCOUNTS .....</b>                      | <br><b>13</b> |
| Reviews  |               |
| Reports  |               |
| <br><b>CLIENT REFERRALS AND OTHER COMPENSATION .....</b> | <br><b>14</b> |
| <br><b>CUSTODY .....</b>                                 | <br><b>14</b> |
| <br><b>INVESTMENT DISCRETION .....</b>                   | <br><b>14</b> |
| <br><b>VOTING CLIENT SECURITIES .....</b>                | <br><b>15</b> |
| Proxy Voting   |               |
| Class Actions  |               |
| <br><b>FINANCIAL INFORMATION .....</b>                   | <br><b>16</b> |
| Payment of Fees  |               |
| Financial Condition                                      |               |
| Bankruptcy   |               |
| <br><b>PRIVACY NOTICE .....</b>                          | <br><b>16</b> |
| <br><b>COMPLAINTS .....</b>                              | <br><b>16</b> |

## ADVISORY BUSINESS

### Our Company

Olimpio Neu & Associates, Inc. is a privately-held Texas corporation that has been providing investment advisory services since 1998 and has been registered with the SEC since 2005. Throughout this disclosure brochure, the company is referred to as "ONA".

The principal owners of ONA are Salvatore J. Olimpio and Brian C. Neu.

### Our Services

ONA provides the following investment advisory services:

#### Investment Management Services

ONA provides its clients with objective oriented portfolio management, asset allocation modeling and general advice on stocks, bonds, mutual funds, annuities, individual money managers, partnerships and 401 (k) asset selections. ONA's investment management philosophy is established in three fundamental principles:

1. Investment objectives and tolerance for risk should serve as the basis for investment selection and asset allocation;
2. Asset allocation, diversification, patience, and discipline serve as the cornerstone of a successful investment program; and
3. Care should be taken in seeking assets that demonstrate the most sensible risk-reward characteristics while remaining tax-efficient.

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, ONA develops a client's personal investment policy and creates and manages a portfolio based on that policy. ONA will manage advisory accounts on either a discretionary or non-discretionary basis.

Account supervision is guided by the stated objectives of the client (i.e., growth, growth and income or capital preservation). ONA will create a portfolio consisting of one or all of the following: individual equities, bonds, ETFs, no-load and load-waived mutual funds and other investment vehicles. ONA will allocate the client's assets among various investments taking into consideration the overall management style selected by the client.

The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances.

Clients have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. However, ONA reserves the right to decline or terminate an account if we believe the restrictions imposed are not reasonable or prohibit our effective management of your account.

In some instances, ONA will refer clients to independent third-party money managers. Clients are required to enter into a separate investment management agreement with the independent third-party money manager(s). Client's will receive a copy of the independent third-party money managers' Form ADV Part 2 which sets forth the fees for the independent third-party money managers' investment advisory services. Any advisory fees charged by the independent third-party money managers are separate and distinct from the fees charged by ONA (please see additional disclosures under the section "General Fee Information" below).

### Financial Planning Services

Financial planning is primarily an analytical process designed to organize financial data, identify needs and opportunities and evaluate alternative courses of action; it may include analysis of current net worth, income taxes, cash flow and budgeting, investments and asset allocation, retirement planning, employee benefit plan analysis, estate and gift tax planning, education pre-funding and risk management focusing on life, health and disability coverage.

In general, ONA gathers required information through personal interviews. ONA will meet with the client to conduct an evaluation of the client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are reviewed, including a questionnaire the client completes that provides relevant information and authorizations. ONA conducts a financial analysis and prepares a plan that describes the client's current situation, identifies needs and opportunities and makes suggestions designed to help the client achieve stated goals.

While financial analyses may include investment advice concerning mutual funds and securities, it may also include investment advice with respect to products that may or may not constitute "securities," such as life insurance and annuities. It also takes into consideration estate tax planning issues that may not constitute "investment" advice. Should a client choose to implement the suggestions contained in the analysis, ONA suggests the client work closely with his or her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial analysis suggestions is entirely at the client's discretion. Financial analysis suggestions are not limited to any specific product or service offered by a broker-dealer or insurance company.

In performing its services, ONA shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. If requested by the client, ONA may suggest the services of other professionals for implementation services, but the client is under no obligation to engage the services of any suggested professional. In addition, each

client is advised that it remains their responsibility to promptly notify ONA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising ONA's previous recommendations and/or services.

## **Our Assets Under Management**

As of December 31, 2010, the total amount of client assets managed by ONA is approximately \$49,925,000. Of this total amount, \$45,840,000 of client assets are managed on a discretionary basis and \$4,085,000 of client assets are managed on a non-discretionary basis.

## **FEES AND COMPENSATION**

### **Investment Management Services Fees**

The annual fee for Investment Management Services is based on the size of the client's assets under management (see table below), and may be adjusted up or down based on the complexity of the client's situation.

| Assets Under Management  | Maximum Annual Fee (%) |
|--------------------------|------------------------|
| \$0 to \$300,000         | 1.25%                  |
| \$300,001 to \$500,000   | 1.00%                  |
| \$500,001 to \$1,000,000 | 0.75%                  |
| Above \$1 million        | 0.50%                  |

ONA requires a minimum account size of \$250,000, but may reduce or waive this minimum at its sole discretion based on individual client circumstances.

Fees are calculated based on the portfolio valuation as determined by the account custodian at the close of market on the last business day of each month. Fees are billed monthly in arrears at the rate of one twelfth of the annual fee shown above. Clients may elect in writing to remit payment by check or fees may be deducted from clients' accounts. Client assets are maintained in segregated accounts by an independent custodian that provides account statements indicating the amount of the fee disbursed from the account.

If an account is terminated during a month, fees will be adjusted pro rata based upon the number of days in the month that the agreement was effective. Details of the investment management fee charged are more fully described in the advisory agreement and the schedule of fees entered into with each client.

### **Financial Planning Services Fees**

Financial Planning services fees will be charged a rate of up to \$300 per hour. The length of time it will take to complete the advisory service will depend on the nature

and complexity of the individual client's personal circumstances. These fees are negotiable and are determined according to scope and complexity of the work. Financial Planning clients receive an engagement letter which defines the service and the amount and payment terms of the financial planning fee. Financial Planning fees are paid one half up front and one half upon completion of the planning service.

## **Important Additional Information**

### Account Set Up and Portfolio Evaluation Fees

ONA assesses a one-time fee of \$750 for each new relationship for the development of the investment allocation, the evaluation of current investment holdings for appropriateness and compatibility and for the establishment of custody accounts or relationships. This fee is negotiable depending on the size and scope of the account.

### Direct Debiting of Client Accounts

Advisory fees may be directly debited from a client account if the following conditions are met:

1. The client provides written authorization permitting ONA's fees to be paid directly from the client's account held by an independent custodian;
2. ONA informs the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated;
3. The custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the adviser.

### Fees Negotiable

ONA retains the right to modify fees, including minimum account size, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

### Termination of Advisory Relationship

The Investment Management Agreement allows for either party to terminate the agreement immediately upon receipt of written notice. The client may terminate the Agreement without penalty within five (5) business days after entering the Agreement. Otherwise, at the date of termination, the client agrees to remit any fees due to ONA. Upon request ONA will provide Summary Statements on a Year to Date basis in the event of termination during a quarter.

### Mutual Fund Fees

All fees paid to ONA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of ONA. In that case, the client would not receive the services provided by ONA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by ONA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### Independent Money Manager Fees

All fees paid to ONA for investment advisory services are separate and distinct from the fees and expenses charged by third-party independent money managers to their clients. These fees and expenses are described in each third-party money manager's Form ADV Part 2 as well as in the investment advisory agreement that the client will enter into directly with the third-party money manager.

A client could invest with the third-party money manager, without the concurrent services of ONA. In that case, the client would not receive the services provided by ONA which are designed, among other things, to assist the client in determining which third-party money managers and which investment platforms offered by such third-party money managers are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the third-party money manager and the fees charged by ONA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### Trading and Other Costs

All fees paid to ONA for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" on page 10 of this disclosure brochure for additional information on brokerage and other transaction costs.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

ONA does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

## **TYPES OF CLIENTS**

ONA provides investment advisory services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

### **Engaging the Services of ONA**

All clients wishing to engage ONA for investment advisory services must first complete the applicable investment advisory agreement as well as any other document or questionnaire provided by ONA. The investment advisory agreement describes the services and responsibilities of ONA to the client. It also outlines ONA's fee in detail. In addition, clients must complete certain broker-dealer/custodial documentation. Upon completion of these documents, ONA will be considered engaged by the client. Clients are responsible for ensuring that ONA is informed in a timely manner of changes in investment objectives and risk tolerance.

In addition, ONA reserves the right to refuse to accept proposed investment management responsibilities or to resign from the management of any individual account.

### **Conditions for Managing Accounts**

#### Investment Management Services

ONA requires new clients have a minimum account size of \$250,000 for Investment Management Services, although ONA retains the right to reduce or waive this minimum account size. Accounts of less than \$250,000 may be set up when the client and ONA anticipate the client will add additional funds to the accounts bringing the total to \$250,000 within a reasonable time. Other exceptions will apply to employees of ONA and their relatives, or relatives of existing clients. Economic hardship circumstances may also be taken into consideration.

#### Financial Planning Services

There is no minimum account size or annual fee requirement for Financial Planning Services clients.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Types of Investments**

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic and foreign equity securities, warrants, exchange traded funds (ETFs), corporate debt securities, commercial paper, certificates of deposit,

municipal and United States government securities, mutual funds and variable annuities, and options.

### **Investment Strategies**

ONA may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases, trading, short sales, option writing and margin transactions.

### **Security Analysis**

The security analysis method employed by ONA are fundamental and technical analysis.

### **Sources of Information**

In conducting security analysis, ONA may utilize the following sources of information: financial newspapers and magazines and websites, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission and company press releases.

### **Risk**

#### In General

Investing in securities involves risk of loss. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability.

#### Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

### Exchange Traded Funds (ETFs)

Equity-based exchange traded funds are subject to risks similar to those of stocks. If the stock tracked within an ETF declines due to weakening fundamentals, crumbling technical support, global events, or any other market fluctuations, the value of the ETF will go down. Fixed income-based ETFs are subject to risks similar to those of bonds such as increasing interest rates. Investment returns will fluctuate and are subject to market volatility, so that an investor's ETF shares, when redeemed or sold, may be worth more or less than their original cost.

### Short Sales

Short sale stocks is a trading strategy that requires a trader borrow and sell a stock when its price is likely to decline, and then buy it back at a lower price for a profit. However, if the price of the stock is higher than the short selling price at the time of the buyback, short sale stocks result in a loss. Short sale stocks, also known as a directional bet, is a risky strategy in general, and the shorting process itself presents certain inherent risk factors as well., including a forced margin call, ultimate share buyback and potential stock split.

### Margin Transactions

When buying stocks on margin, you are employing leverage as an investing strategy. Leverage allows you to extend your financial reach by investing using borrowed funds while limiting the amount of your own cash you expend. Please note, however, that this can involve a high degree of risk. Some of these risks include:

- Losing more money than you have invested;
- Being required to deposit additional cash or securities in your account on short notice to cover market losses;
- Being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and
- Your brokerage firm may sell some or all of your securities without consulting you to pay off the loan it made to you.

### **Cash Management**

Cash and equivalents can be held in client accounts for defensive purposes or in anticipation for client liquidity needs.

### **DISCIPLINARY HISTORY**

Neither ONA nor any of its supervised persons have ever been disciplined by a regulatory agency.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Mr. Olimpio is a principal of Olimpio Financial Group, a business consulting firm, providing services unrelated to investment advice. Mr. Olimpio is also a Certified Public Accountant. Mr. Olimpio also has a license to sell life and health insurance products or annuities in Texas. Commissions on such products are regulated by the Texas Insurance Commission, are set by the insurance company selected by the client and are not negotiable.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Our Code of Ethics**

ONA has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that ONA owes a fiduciary duty to its clients. Accordingly, ONA expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All officers, directors, partners and employees of ONA and any other person who provides advice on behalf of ONA and is subject to ONA's control and supervision are required to adhere to the Code of Ethics. At all times, ONA and its employees must (i) place client interests ahead of ONA's; (ii) engage in personal investing that is in full compliance with ONA's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of ONA's Code of Ethics is available upon request. For a copy, please contact Brian Neu, the President of ONA, at (972) 392-1344.

### **Prohibition on Use of Insider Information**

ONA has also adopted policies and procedures to prevent the misuse of "insider" information. A copy of ONA's Insider Trading policies and procedures is available to any client or prospective client upon request. For a copy of ONA's Insider Trading policies and procedures, please contact Brian Neu, the President of ONA, at (972) 392-1344.

### **Participation or Interest in Client Transactions**

*ONA or individuals associated with ONA may buy, sell, or hold in their personal accounts the same securities that ONA recommends to its clients.*

ONA or individuals associated with ONA may buy, sell, or hold in their personal accounts the same securities that ONA recommends to its clients and in accordance with ONA's internal compliance procedures such trades will occur simultaneously with or after trades placed on behalf of clients. To minimize conflicts of interest, and to maintain the fiduciary responsibility ONA has for its clients, ONA has established the following policy: An officer, director, or employee of ONA shall not buy or sell securities for a personal portfolio when the decision to purchase is

derived by reason of their employment with ONA, unless the information is also available to the investing public as a whole. No person associated with ONA shall prefer his or her own interest to that of any client. Personal trades in securities being purchased or sold for clients may only be made simultaneously with or after trades are made for clients. ONA personnel may not anticipate trades to be placed for clients.

## **BROKERAGE PRACTICES**

### **Broker Selection**

#### Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while ONA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

#### Broker Analysis

ONA evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving ONA.

Also in consideration is such broker-dealers’ provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if ONA determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

ONA continuously monitors and evaluates the performance and execution capabilities of brokers that transact orders for its client accounts to ensure

consistent quality executions. In addition, ONA periodically reviews its transaction costs in light of current market circumstances and other relevant information.

### Research/Soft Dollar Benefits

ONA utilizes the services of the multiple broker-dealers, including Fidelity Investments Institutional Brokerage Group ("Fidelity") and Charles Schwab & Co., Inc. Advisor Services Group ("Schwab"). While there is no direct linkage between the investment advice given to clients and ONA's use of these broker-dealers, economic benefits are received by ONA (e.g., benefits that ONA does not pay for), which would not otherwise be received if ONA did not direct client trades to these broker-dealers. While ONA is not affiliated with these broker-dealers, they may provide ONA with access to its institutional trading and operations services, which are typically not available to retail investors. These services may include research, brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

These broker-dealers may also make available to ONA other products and services that benefit ONA, but may not benefit its clients' accounts. Some of these other products and services assist ONA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of ONA's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of ONA's accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service.

These broker-dealers also provide ONA with other services intended to help ONA manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services to ONA by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to ONA.

While as a fiduciary ONA endeavors to act in its clients' best interests, ONA's recommendation that clients maintain their assets in accounts with Fidelity or Schwab may be based in part on the benefit to ONA of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

## **Directed Brokerage**

### ONA Directed Brokerage

ONA does not have the discretionary authority to determine the broker-dealer to be used. As stated above, clients in need of brokerage will have Fidelity Investments Institutional Brokerage Group (“Fidelity”) and/or Charles Schwab & Co., Inc. Advisor Services Group (“Schwab”) recommended to them. While there is no direct linkage between the investment advice given and usage of these broker-dealers, economic benefits are received which would not be received if ONA did not give investment advice to clients (please see additional disclosures in the “Research/Soft Dollars Benefits” section directly above). ONA does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. ONA is required to disclose that by directing brokerage, ONA may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

### Client Directed Brokerage

Certain clients may direct ONA to use particular brokers for executing transactions in their accounts. With regard to client directed brokerage, ONA is required to disclose that ONA may be unable to negotiate commissions, block or batch orders or otherwise achieve the benefits described above, including best execution. Directed brokerage commission rates may be higher than the rates ONA might pay for transactions in non-directed accounts. Therefore, directing brokerage may cost clients more money.

As a general rule, ONA encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of custodial or other services provided by the broker to the client in exchange for the directed brokerage designation.

## **Trade Aggregation/Allocation**

### Investment Management

It is the objective of ONA to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients’ accounts with substantially similar investment objectives and policies, ONA may often seek to purchase or sell a particular security in each account. ONA will aggregate orders only when such aggregation is consistent with ONA’s duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution

price in that particular security. All transaction costs will be allocated pro rata based on each client's participation in the transaction. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

### Financial Planning and Consulting

ONA's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning and/or consulting recommendations. ONA may recommend any one of several brokers. ONA clients must independently evaluate these brokers before opening an account. The factors considered by ONA when making this recommendation are set forth above. ONA's financial planning and consulting clients may use any broker or dealer of their choice.

### **Trade Errors**

From time-to-time ONA may make an error in submitting a trade order on a client's behalf. When this occurs, ONA may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the custodian typically keeps the gain. If a loss occurs, ONA will pay for the loss. Generally, if related trade errors results in both gains and losses in your account, they may be netted.

## **REVIEW OF ACCOUNTS**

### **Investment Management Services**

#### Reviews

Brian Neu, President and Chief Compliance Officer and Salvatore Olimpio, CEO, review accounts in which investment advisory services are conducted as frequently as monthly, but no less than quarterly through the delivery of a consolidated asset report. Client meetings are held at the request of either ONA or the client no less frequently than annually. Additional reviews may be triggered by events such as a client meeting, change in a client's risk tolerance, financial position or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen event. Reviews are designed to provide the client with an assessment of their account in a manner that fully discloses positions, transactions and performance as it relates to the stated objective and strategies set forth for the account.

## Reports

Special reports are provided upon request or when ONA deems such reports relevant and appropriate. Clients are also provided with transaction confirmation notices and at least quarterly summary account statements directly from their broker-dealer/custodian. Clients are urged to carefully review the account statements provided by their broker-dealer/custodian.

## **Financial Planning Services**

These client accounts will be reviewed as contracted for at the inception of the advisory relationship.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

ONA does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice.

ONA does not use solicitors to refer clients to ONA.

## **CUSTODY**

ONA is deemed to have custody because ONA deducts its fees directly from client accounts.

Custody of client assets will be maintained with the independent custodian selected by the client. ONA will not have physical custody of any assets in the client's account except as permitted for payment of advisory fees. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize ONA to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. Clients are urged to carefully review the account statement sent by the broker-dealer/custodian and to compare the account statement provided by the broker-dealer/custodian with any statements provided by ONA.

## **INVESTMENT DISCRETION**

For those client accounts over which ONA has discretion, ONA requests that it be provided with written authority (e.g., limited power of attorney contained in ONA's Investment Management Agreement) to determine the amounts of securities that

are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing.

ONA generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. ONA's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between ONA and the client.

## **VOTING CLIENT SECURITIES**

### **Proxy Voting**

The act of managing assets of clients may include the voting of proxies related to such managed assets. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the investment adviser, the investment adviser has the fiduciary responsibility for (a) voting in a manner that is in the best interests of the client and (b) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon. Accordingly, ONA has instituted proxy voting policies and procedures ("Proxy Voting Policies and Procedures") that are designed to (i) ensure that proxies are voting in an appropriate manner and (ii) complement ONA's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts.

ONA's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of the client as ONA determines in its sole discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the costs and benefits associated with the proposal; and (iii) the customary industry and business practices. The Proxy Voting Policies and Procedures also address how ONA will vote proxies with regard to specific matters, such as the election of Board members, mergers and acquisitions, compensation, independent auditors and other matters. Clients may obtain a copy of the ONA's Proxy Voting Policies and Procedures and the proxy voting record relating to a fund by contacting Brian Neu, the President of ONA, at (972) 392-1344.

### **Class Action Settlements**

Although ONA may have discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## **FINANCIAL INFORMATION**

### **Prepayment of Fees**

Because ONA does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, ONA is not required include a balance sheet with this disclosure brochure.

### **Financial Condition**

ONA does not have any adverse financial conditions to disclose.

### **Bankruptcy**

ONA has never been the subject of a bankruptcy petition.

## **PRIVACY NOTICE**

ONA views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. ONA does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, ONA may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. ONA restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for ONA. As emphasized above, it has always been and will always be ONA's policy never to sell information about current or former clients or their accounts to anyone. It is also ONA's policy not to share information unless required to process a transaction, at the request of a client, or as required by law. For the full text of ONA's Privacy Policy, please contact Brian Neu, the President of ONA, at (972) 392-1344.

## **CLIENT COMPLAINTS**

Clients may contact Brian Neu, the President of ONA, at (972) 392-1344 to submit a complaint. Written complaints should be sent to Olimpio Neu & Associates, Inc., 15770 Dallas Parkway, Suite 200, Dallas, TX 75248.