



# DAVID R. KERN

**ASSET MANAGEMENT**  
*Dynamic Asset Allocation Strategies*

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**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of David R. Kern Asset Management. If you have any questions about the contents of this brochure, please contact us at (260) 637-1019. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about David R. Kern Asset Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for David R. Kern Asset Management is 115364.

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## **Advisory Business**

Form ADV Part 2A, Item 4

Advantage Financial Planning Inc. dba David R. Kern Asset Management is a registered investment adviser based in Hometown, IN. We are organized as a corporation under the laws of the State of Indiana. We have been providing investment advisory services since 1987. Robert David Kern, President/Chief Compliance Officer, is our principal owner. Mr. Kern is also a registered representative with Questar Capital Corporation, a registered broker/dealer.

As used in this brochure, the words "we", "our" and "us" refer to David R. Kern Asset Management, and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### ***Dynamic Asset Allocation Programs***

Dynamic Asset Allocation involves continuous monitoring and repositioning of investor's money between specific asset classes. We apply technical computer models to asset class prices to determine if your account should be exposed to an asset class represented by a mutual fund or should, instead, be in a defensive money market position. If the computer model indicates that you should be exposed to the asset class, we will purchase shares of a mutual fund representing that class. If the computer model indicates that your account should be defensive, we will sell the mutual fund shares and purchase money market shares with the proceeds until the model indicates that the investor should again have asset class exposure. You may be in more than one asset class at any time, and we attempt to select and weight different asset classes based on their return potential as indicated by the application of our computer model to current market conditions. The objective of Dynamic Asset Allocation is to reduce the risk or fluctuation in the value of an investor's account while achieving higher returns than other investments with similar risk. Positions are reviewed daily with the goal of reducing exposure to downside volatility and market risk.

We offer two sets of programs: Dynamic Portfolio Allocation Programs, and Alternative Strategies Programs. The first set of programs, called the Dynamic Portfolio Allocation Programs, are diversified portfolio allocation programs, open to all investors. These programs utilize multiple asset classes and management systems. The second set of programs, the Alternative Strategies Programs, may utilize a limited number of asset classes or sectors and are focused on a specific investment objective. They are designed for institutional investors and individual investors as a part of a more diversified portfolio.

The mutual fund shares and variable annuity separate accounts being traded are issued by investment companies, whose sponsors specifically market their product to frequent traders. Those sponsors do not charge transaction fees for switching among their mutual funds and money market funds. Sponsors may impose restrictions on trading in the future. We will review these restrictions and change management programs as needed.

The mutual fund or separate account operating expenses are typically 0.5% to 3.0% annually. These mutual funds or separate accounts carry, on average, higher expenses than industry-wide average funds or separate accounts.

### ***Dynamic Portfolio Allocation Programs***

Dynamic Portfolio Allocation Programs include diversified actively managed portfolios utilizing multiple asset classes. Investment objectives and risk levels are achieved using limited exposure to each asset class and money management strategies. These tactical allocation programs include aggressive, capital appreciation, moderate growth, income & growth, and conservative investment objectives. The minimum investment in these programs is \$50,000.

### Alternative Strategies Programs

The Alternative Strategies Programs concentrate on a specific investment objective, asset class, or set of mutual funds in similar asset classes. These programs may not be as diversified as the Dynamic Portfolio Allocation programs. All programs are actively managed with multiple position determination strategies. These strategies use tactical allocation systems and include the use of a money market fund. They include programs called Dynamic Diversification, Absolute Return Strategies, Global Diversified Alternative, Alpha & Beta, Hard Asset Alternative, Global Alpha Long & Short, International Alpha Index, Natural Resource and Hard Asset, and U.S. Government Bond. The minimum investment in these programs is \$50,000.

Following are the management annual marginal fee rates, based on the total assets under management, for the Dynamic Portfolio Allocation and Alternative Strategies Programs.

Assets under management	Annual marginal fee rate	Quarterly fee amount
\$0 – \$ 499,999	2.50 %	Ending bal $\times$ 0.006250
\$500,000 – \$1,000,000	2.25 %	Ending bal $\times$ 0.005625 + \$312.50
Over \$1,000,000	2.00 %	Ending bal $\times$ 0.005000 + \$937.50

Fees are billed quarterly in arrears and deducted from the account. Fees for each quarter are due on the first day of the following calendar quarter and determined by applying one-quarter (1/4) of the applicable marginal annual fee rates to the quarter-ending balance of all accounts under management by us. In the event you make an investment, or withdraw all of the funds in the account, during a calendar quarter, the fee for that quarter will be prorated for the number of days in the calendar quarter during which the funds were actually under management. In the case of a deposit during a quarter, the quarterly fee for that quarter (based on the quarter-end balance) is reduced by the deposit amount times one-quarter (1/4) of the applicable marginal fee rates, prorated for the number of calendar days in the quarter before the deposit was made. In the case of a withdrawal, that quarter's fee is increased by the withdrawal amount times one-quarter (1/4) of the applicable marginal annual fee rate, prorated for the number of calendar days in the quarter up to the date the withdrawal was taken. The fee is payable whether or not the program is profitable.

Fees may be reduced, waived, or calculated differently with respect to certain investors. We will share our fees paid with Questar Capital Corporation.

Either party, upon five (5) business days' written notice to the other, may terminate the advisory agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unpaid fees will be due at that time. Upon the termination of the Agreement, we shall not be under any obligation to recommend any action with regard to, or to liquidate, the securities or other investments in your Account.

### ***Sub-advisory Services***

We may act as an investment consultant for registered representatives of Questar Capital Corporation or other broker/dealers for client accounts placed with insurance company variable annuities, ProFunds, Rydex Funds and or variable annuity policies containing those funds. We will share the fees we receive from such accounts with the referring representative under a written agreement. Investor funds are all in the custody of the mutual fund transfer agent or variable annuity insurance company sponsor separate accounts.

### ***Timing Signals***

We may enter into agreements with other registered investment advisers to provide buy and sell signals for use in managing their client assets. We will not have control over signal use, or any knowledge of the suitability of the signals. Advisers may use the signals along with a number of other adviser signals provided daily by email. This service is not available to retail investors. The fees payable to us shall be detailed in the applicable agreement and may vary from relationship to relationship.

***Investment Allocation Review Program***

We offer an Investment Allocation Review program using Dynamic Asset Allocation services to change asset allocation on a continual basis for employees participating in a 401(k) plan, or other employer sponsored retirement plan. Recommendations for change can occur at any time. We will implement the change if authorized by the plan participant.

Without authorization, the investor/plan participant is responsible for implementing changes in asset allocation. Fees for this service are billed directly to the participant at the end of each quarter, and are based on a flat fee of \$500.00 plus 0.2% of assets over \$250,000, determined by the value of the investment account as of the last day of the quarter just ending. The participant can cancel the service at any time with written notice.

You will sign a written agreement, which will include granting us trading authority, if so desired, in order to establish an investment allocation review account.

***Selection of Other Advisers***

Certain pre-existing clients may engage Flexible Plan Investments, Ltd., a third party SEC registered Investment adviser ("TPA"), to manage a portion or all the client's accounts. Mr. Kern will be available to meet with you on a continuous basis. We receive a referral fee for management accounts referred to Flexible Plan Investments, Ltd. You will receive a copy of the TPA's ADV Part 2A at the time of the referral. We periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

You must sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's this brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

***Types of Investments***

We offer advice on investment company securities (including variable life insurance, variable annuities and mutual fund shares).

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

***Assets Under Management***

As of December 31, 2010, we manage \$7,086,000 in client assets on a discretionary basis, and \$5,550,000 in client assets on a non-discretionary basis.

***Fees and Compensation***

Form ADV Part 2A, Item 5

***Dynamic Asset Allocation Programs***

Following are the management annual marginal fee rates, based on the total assets under management, for the Dynamic Portfolio Allocation and Alternative Strategies Programs.

Assets under management	Annual marginal fee rate	Quarterly fee amount
\$0 – \$ 499,999	2.50 %	Ending bal × 0.006250
\$500,000 – \$1,000,000	2.25 %	Ending bal × 0.005625 + \$312.50
Over \$1,000,000	2.00 %	Ending bal × 0.005000 + \$937.50

### ***Investment Allocation Review Program***

Fees for this service are billed directly to the participant at the end of each quarter, and are based on a flat fee of \$500.00 plus 0.2% of assets over \$250,000, determined by the value of the investment account as of the last day of the quarter just ending.

Please refer to the “Advisory Business” section in this brochure for additional information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund’s prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

### **Compensation for the Sale of Securities or Other Investment Products**

As mentioned in the previous section, persons associate with our firm are licensed to sell securities. As such, these persons may offer securities through Questar Capital Corporation (“Questar”), or through Fintegra, LLC (“Fintegra”), both firms are securities broker-dealers and members of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Your advisory representative will inform you of which firm he is licensed with. If you purchase a recommended product through one of these broker-dealers, principals and associated persons will receive commission-based compensation for any purchase or sale transaction, including 12b-1 fees for the sale of investment company products.

Additionally, persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

These arrangements can present a conflict of interest because associated persons who are registered representatives or insurance agents have a financial incentive to recommend investment or insurance products. However, you are under no obligation, contractually or otherwise, to purchase securities or insurance products through any person affiliated with our firm. Further, we endeavor at all times to place your interests ahead of our own.

For information on our brokerage practices, please refer to the “Brokerage Practices” section of this brochure.

## ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, corporations, and other business entities.

With regard to the Dynamic Portfolio Allocation Program, we require a minimum of \$50,000 to open and maintain this type of advisory account. With regard to the Alternative Strategies Program, we require a minimum of \$50,000 as well as a qualified investor to open and maintain this type of advisory account.

We will make the following exceptions: (1) If we are a third party asset manager, all business referred from the same Investment Advisor Representative is considered one account; (2) An account may be opened below the minimum with the expectation that additional monies will be deposited to meet the minimum within 12 months, and (3) Our staff and family members may establish accounts below the stated minimum.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### ***Methods of Analysis***

We may use one or more of the following methods of analysis when formulating investment advice:

- Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends.
- Pattern Recognition using Proprietary Software

### ***Associated Risks***

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### ***Investment Strategies***

We may use one or more of the following investment strategies when formulating investment advice:

- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). We may in limited circumstances use trading strategies in an effort to capture significant market gains and avoid significant losses during a volatile market.

### ***Tax Considerations***

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm or the TPA managing your account will either instruct your custodian to use the first-in first-out ("FIFO") accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We primarily recommend and offer advice pertaining to Mutual Funds and Variable Annuities.

**Mutual funds** are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the

fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end".

A **variable annuity** is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point the contract will terminate and the remainder of the fund accumulated forfeited unless there are other annuitants or beneficiaries in the contract.

Annuities can be purchased to provide income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. *Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period.* Additionally, variable annuities may charge fees and expenses in addition to sales and surrender charges, such as: **mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features**, all of which can reduce the return.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

We do not have any material legal or disciplinary events to disclose.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

#### **Registrations with Broker-Dealer**

As disclosed above, persons providing investment advice on behalf of our firm are registered representatives of Questar, a securities broker-dealer, member [FINRA/SIPC](#). Notwithstanding the fact that principals and associates of our firm may be registered representatives of Questar, we are solely responsible for advice rendered and/or services provided in accordance with this Brochure and the agreement entered into by you and our firm.

Please see the "Fees and Compensation" section of this brochure for information on this arrangement.

## ***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to conduct our advisory activities with honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines.

Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics.

You may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

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

Please see the "Fees and Compensation" section of this brochure for information on compensation received for securities sales transactions by persons associated with our firm.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. Please be aware that Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by advisory representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

## ***Brokerage Practices***

Form ADV Part 2A, Item 12

You are advised that you will have total freedom to implement recommendations through any broker/dealer of your choosing. However, if you engage us to implement our recommendations we will transact any purchase or sale in mutual funds or other products through Questar. We are subject to applicable rules that restrict us from conducting securities transactions away from Questar unless Questar provides us with written authorization to do so. Therefore, we are generally limited to conducting securities transactions through Questar. It may be the case that Questar charges higher transactions costs and/or custodial fees than another broker charges for the same types of services.

As previously disclosed, our principal may earn 12b-1 fees from various mutual fund products in which you may choose to invest.

We do not have any soft dollar arrangements, nor do we receive client referrals from broker-dealers.

### **Block Trades**

Since we primarily recommend mutual funds and variable products, we typically do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). We may trade groups at the fund family that include multiple accounts.

## **Review of Accounts**

Form ADV Part 2A, Item 13

Our principals and associated persons will provide the following investment advisory services:

- Risk Tolerance Survey completed to determine investment objectives.
- Asset Allocation Analysis for long-term “buy and hold” portfolios will be provided at your request to determine diversified portfolio strategy based on investment objectives and risk tolerance.
- Investment Allocation Periodic Review provides monthly monitoring of investment portfolios and recommendation for change can be made at any time.
- Asset Allocation Management Program provides continuous monitoring and change in portfolio allocations based on Dynamic Asset Allocation programs.

Annual reviews will be sent to you in the form of an investment policy statement indicating the program and risk you have selected. Clients are requested to respond with any changes, and may request a more frequent review of their program. Triggering factors that stimulate the review of your account include, but are not limited to, the following: changes in economic conditions, changes in your financial situation and your request for an additional review of the account.

Reports are provided quarterly from the account custodian and performance reporting is mailed quarterly, prepared by Orion, a division of Clarke Lanzen Skalla Investment Firm, Inc., a third party reporting provider. This same service allows investors to review their accounts daily as part of a web-based program protected by password and encryption.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

We do not directly or indirectly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

As disclosed under the “Fees and Compensation” section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Questar Capital Corporation, a securities broker-dealer, and member [FINRA/SIPC](#). For information on this arrangement, please refer to the “Fees and Compensation” section.

## **Custody**

Form ADV Part 2A, Item 15

Provided we receive your written authorization, we will instruct your custodian or brokerage firm to directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise *limited* custody over your funds. We do not have physical custody of any of your funds and/or securities.

Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees

deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account without obtaining their prior consent or approval. Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular asset class or industry should not exceed specified percentages of the value of the portfolio. Please provide these restrictions and/or changes to restrictions in writing.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

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

### ***Financial Information***

Form ADV Part 2A, Item 18

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of fees six or more months in advance and in excess of \$1,200. Therefore, we are not required to include a financial statement with this brochure.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.