

# Rodgers & Associates, Ltd.

## Part 2A of Form ADV

### The Brochure

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This brochure provides information about the qualifications and business practices of Rodgers & Associates, Ltd. (“Rodgers”). If you have any questions about the contents of this brochure, please contact us at 717-560-3800. 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.

Rodgers is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Rodgers is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

In 2010, the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Rodgers in prior years.

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## **Advisory Business**

### Firm History and Principal Owners

Rodgers is a registered investment adviser offering investment management, financial planning, and consultation services.

Rodgers was founded in 1996 and is owned primarily by Rick Rodgers and Jessica Rodgers. As of January 1, 2011 Rodgers managed \$322,191,301 on a discretionary basis and \$18,218,187 on a non-discretionary basis on behalf of approximately 540 Clients.

### Services Provided

#### *Investment Management Services*

Rodgers offers Clients investment management services as covered in the Investment Advisory Agreement where each Client's investment account and portfolio is managed on a regular and continuous basis. Rodgers may assist Client in determining, among other things, suitability, investment objectives, goals, time horizons, and risk tolerances. The Client's personal investment policy will be developed from these goals and objectives, and Rodgers will manage the Client's portfolio based on that policy. Rodgers will manage advisory accounts on a discretionary and/or a non-discretionary basis. Account supervision is guided by stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth and income). Within its non-discretionary capacity, Rodgers may, without specific approval by the Client, purchase or sell securities to meet the cash needs of the Client. These purchases and sales will be executed in a manner such that the resulting allocations will generally match the allocation in the account prior to the purchase or sale.

Non-discretionary Clients should also be aware that they will be contacted on a quarterly basis with investment recommendations. If the Client does not respond to the information provided, no action is taken with respect to the account. Accordingly, non-discretionary Clients may forego investment opportunities (or the timely implementation thereof) if they do not respond to the quarterly communications.

Rodgers may also use a sub-advisor in managing certain Client accounts, as further described in *Brokerage Practices* below.

#### *Financial Planning Services*

Rodgers offers financial planning services to include comprehensive or segmented (limited) financial plans, investment plans, and/or individual consultations regarding a Client's financial affairs as covered in the Financial Planning Agreement. The design and implementation of a financial plan may begin with the process of gathering data regarding income, expenses, taxes, insurance coverage, retirement plans, wills, trusts, investments and/or other relevant information pertaining to a Client's overall financial situation. This information is carefully analyzed taking

into account a Client's goals and stated objectives, and a series of recommendations and/or alternative strategies will be developed which are designed to achieve optimum overall results. Typically a completed financial plan will be presented to the Client within ninety (90) days of the contract date, provided that the Client has promptly provided all information needed to prepare the financial plan.

### *Hourly Consultation Services*

In addition to offering investment management and financial planning services, Rodgers may also offer specific administrative and consulting services on an hourly basis. This hourly consultation service may take the form of general investment advice and, if applicable, financial planning, for individuals and/or institutions. It may also take the form of investment advice for individuals or institutions that do not meet the minimum requirement for the investment management service. Additionally, it may take the form of various consulting arrangements.

From time to time, Rodgers offers advice on partnerships investing in equipment leasing, cable television, fast food franchising, agriculture, raw land, alternative energy, research and development, and leveraged buy-outs. Additionally, Rodgers may also offer advice on real estate investment trusts.

## **Fees and Compensation**

### Investment Management Services

Fees generally are based on a percentage of assets under management, and in no case will fees exceed 3% of assets under management. Additionally, fees are not collected for services to be performed more than six (6) months in advance.

Payments of fees may be made directly by the Client, or debited from the client's account by the custodian holding the Client's funds and securities. However, two criteria must be met when the client account is debited by the custodian: (1) the Client provides written authorization permitting the fees to be paid directly from the Client's account held by the independent custodian; (2) 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 Rodgers. Additionally, Rodgers does not have physical custody of Clients' funds or securities.

Rodgers' standard fee schedule is as follows:

<i>Market Value of Portfolio</i>	<i>Annual Fee</i>
From \$0 - \$500,000	1.25%
The balance of \$500,001 - \$1,000,000	1.00%
The balance over \$1,000,000	0.75%

Note: The above-referenced fee schedule reflects the standard fees charged by Rodgers, however, fees are negotiable.

Further, fees will be paid quarterly in advance based on prior end-of-period market values. Therefore, Clients will be charged an appropriate percentage management fee for that portion of their account market value which falls within the value ranges as specified above. Accounts managed by Rodgers of Clients' family members sharing a household will be aggregated for purposes of applying the fee breakpoints. Aggregation of accounts of family members not sharing a household may be requested by the Client and Rodgers may approve or decline such request in its sole discretion.

Pro-rated fees will be applied to additions to the Client's custody account in the amount of \$25,000 or more in any single day. Pro-rated fees will be rebated for withdrawals from the Client's custody account in the amount of \$25,000 or more in any single day. This policy, however, does not apply to the establishment of a new account or the termination of an account, which results in pro-rated billing or rebating regardless of the amount contributed or withdrawn.

All fees paid to Rodgers for investment management 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 also pay an initial or deferred sales charge. A Client could invest in a mutual fund directly, without the services of Rodgers. In that case, the Client would not pay an investment advisory fee to Rodgers. However, the Client also would not receive the services provided by Rodgers 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 Rodgers, to fully understand the total amount of fees to be paid by the Client in order to evaluate the advisory services being received.

Clients will also incur brokerage and other transaction costs, as further described in *Brokerage Practices* below.

#### Financial Planning and Consultation Services

In consideration of financial planning and consultation services provided by Rodgers, the Client will pay Rodgers an hourly fee of \$250/hour. These hourly fees generally may be negotiable at the discretion of Rodgers.

Fees for financial planning and consultation services that are charged on an *hourly basis* may require fifty percent (50%) of total fee due in advance based on an estimated number of hours of services to be provided. The Client agrees that the remainder of the fee is due upon completion of the services. If it appears that the quoted fees will exceed the estimated amount of time as stated above, Rodgers will contact the Client to obtain approval prior to continuing such services.

### Termination

A Client's Investment Advisory Agreement may be cancelled at any time, by either party, for any reason upon receipt of written notice to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any unpaid fees will be due and payable.

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

Rodgers does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to Rodgers.

## **Types of Clients**

Rodgers offers its investment management, financial planning, and consultation services to individuals, pension and profit sharing plans, trusts, corporations, and estates.

The minimum assets under management for a Client receiving Rodgers' investment management services is generally \$500,000. Accounts below this minimum may be negotiable and accepted on an individual basis at the firm's discretion. Rodgers may also offer accounts not meeting this minimum a more limited form of its investment management services.

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

### Investment Strategy

Rodgers employs a quantitative security selection strategy for Investment Management Services Clients. In furtherance of this strategy, Rodgers combines its research and valuation analyses with a disciplined quantitative methodology to manage Client accounts. Rodgers therefore does not take into account any qualitative factors during its research and security selection processes with respect to mutual funds and ETFs.

### Risk of Loss - General

All investing involves a risk of loss and the investment strategy offered by Rodgers could lose money over short or even long periods. Performance could be negatively impacted by a number of different market risks including, but not limited to, that portfolio management techniques used by Rodgers may not produce the desired results. This could cause accounts to decline in value. In addition, Rodgers may rely on information that turns out to be wrong. Rodgers selects

investments based, in part, on information provided by issuers to regulators or made directly available to Rodgers by the issuers or other sources. Rodgers is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

#### Potential Risks of Investing With Mutual Funds, ETFs and Bonds:

*Stock Market Risk* - The mutual funds and ETFs that invest in equity securities are subject to stock market risk. Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies may be subject to more volatility in price than larger company securities.

*Foreign Securities Risk* - Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards; limited availability of information; currency conversion; and pricing factors affecting investment in the securities of foreign businesses or governments.

*Interest Rate Risk* - Bonds also experience market risk as a result of changes in interest rates. The general rule is that if interest rates rise, bond prices will fall and so will the mutual fund's and ETF's share price. The reverse is also true: if interest rates fall, bond prices will generally rise.

A bond with a longer maturity (or a bond fund with a longer average maturity) will typically fluctuate more in price than a shorter term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

*Credit Risk* - Bonds and bond mutual funds and ETFs are also exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. Government, have limited credit risk, while securities issued or guaranteed by U.S. Government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. Government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor's are generally considered to carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Of course, bonds with lower credit ratings generally pay a higher level of income to investors.

*Liquidity Risk* - Liquidity risk exists when a particular security is difficult to trade. A mutual fund's or an ETF's investment in illiquid securities may reduce the returns of the mutual fund because the mutual fund or ETF may not be able to sell the assets at the time desired for an acceptable price, or might not be able to sell the assets at all.

*Call Risk* - Many fixed income securities have a provision allowing the issuer to repay the debt early, otherwise known as a "call feature." Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund or ETF would reinvest the proceeds of the payoff at current interest rates, which would likely be lower than those paid on the security that was called.

*Objective/Style Risk* - All of the mutual funds and ETFs are subject, in varying degrees, to objective/style risk, which is the possibility that returns from a specific type of security in which a mutual fund invests will trail the returns of the overall market.

*U.S. Government Agency Securities Risk* - Securities issued by U.S. Government agencies or government-sponsored entities may not be guaranteed by the U.S. Treasury. If a government-sponsored entity is unable to meet its obligations, the securities of the entity will be adversely impacted.

## **Disciplinary Information**

Rodgers and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of the company or its personnel.

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

Rodgers and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

On occasion, managers, members and/or associated persons of Rodgers may own securities products that are also recommended to Clients, which may present a potential conflict of interest. However, as a preventative measure, all Client transactions will be executed before any such personal transactions for affiliated persons of Rodgers. In addition to this measure, Rodgers has adopted a Code of Ethics ("Code") in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 to establish standards and procedures to guard against impropriety and conflict in addition to reflecting Rodgers' fiduciary obligations in accordance with the applicable federal securities laws. The Code covers General Principles, Definition of Access Persons, Standards of Conduct, General Restrictions, Reporting and Accountability, Administration and Construction of the Code, and Miscellaneous Provisions such as recordkeeping requirements. Clients and prospective Clients may obtain a copy of the Code of Ethics by contacting Rodgers' Chief Compliance Officer, at 717-560-3800.



The Code, includes among other principles, the following:

1. No person associated with Rodgers may buy or sell securities for their personal portfolio(s) if the decision to do so is based in whole or in part on information obtained through the association with Rodgers, unless the information is reasonably available to the investing public.
2. Rodgers maintains a list of all securities holdings for itself, and for all associated persons who have access to recommendations made to its Clients. A manager, or his/her designee, reviews the list of holdings on a regular basis.
3. Rodgers requires that all associated persons act in accordance with all applicable federal and state regulations.
4. Failure to comply with these points may result in the termination of the associated person.

In the normal course of business, managers, members and/or associated persons of Rodgers may provide gifts and gratuities to various Clients and other persons. These gifts, gratuities and contributions are not premised upon any specific client referrals or any expectation of any other type of benefit to Rodgers.

## **Brokerage Practices**

Rodgers participates in the TD Ameritrade Institutional program and the Fidelity Institutional Wealth Services program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. Fidelity Institutional Wealth Services is a business unit of Fidelity Investments ("Fidelity") member FINRA/SIPC. TD Ameritrade and Fidelity are unaffiliated SEC-registered broker-dealers and FINRA members. TD Ameritrade and Fidelity offer services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions. However, TD Ameritrade and Fidelity have no duty to supervise or monitor the activity of Rodgers. In addition, TD Ameritrade and Fidelity do not make any determination as to the suitability of the investment activity undertaken by Rodgers relative to its Client accounts. Rodgers receives some benefits from TD Ameritrade and Fidelity through its participation in the programs that it would not receive if it did not offer investment advice through this program.

While there are several important factors in broker selection, Rodgers may direct trades to brokers that charge commissions higher than those obtainable from other brokers. In selecting a broker for any transaction or series of transactions, Rodgers may consider a number of factors in addition to commission rates, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willing to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding Client accounts, the availability of stocks to borrow for short trades, custody, record keeping or other similar services, and matters involved in the receipt of general brokerage services.

Generally, in addition to a broker's ability to provide the "best execution," Rodgers may also consider the value of ancillary services a broker-dealer has provided or may be willing to provide. Rodgers does not commit itself to providing any specified level of volume or commissions in

order to obtain this research. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research might charge. This research may not be used for the exclusive benefit of the Clients whose activity the broker considered when providing the research.

As noted above, Rodgers participates in the TD Ameritrade Institutional customer program and the Fidelity Institutional Wealth Services programs, and Rodgers may recommend TD Ameritrade and Fidelity to Clients for custody and brokerage services. There is no direct link between Rodgers' participation in the programs and the investment advice it gives to its Clients, although Rodgers receives economic benefits through its participation in the programs. These benefits include: receipt of duplicate Client statements and confirmations; research-related products and tools; consulting services; access to a trading desk; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Rodgers by third party vendors. Some of the products and services made available by TD Ameritrade and Fidelity through the programs may benefit Rodgers but may not benefit its Client accounts. These products or services may assist Rodgers in managing and administering Client accounts, including accounts not maintained at TD Ameritrade and Fidelity. Other services made available by TD Ameritrade and Fidelity are intended to help Rodgers manage and further develop its business enterprise. The benefits received by Rodgers do not depend on the amount of brokerage transactions directed to TD Ameritrade or Fidelity. As part of its fiduciary duties to Clients, Rodgers endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Rodgers creates a potential conflict of interest. These benefits may indirectly influence Rodgers' choice of TD Ameritrade and Fidelity as the broker-dealer for executing Clients' securities transactions.

In recommending TD Ameritrade as the broker and custodian for certain of its current and future Client accounts, Rodgers also considers its agreement with TD Ameritrade's affiliate, Amerivest Investment Management, LLC, an investment adviser registered with the SEC ("Amerivest") dated November 2, 2009 (the "Agreement").

Under the Agreement, Amerivest provides an internet asset allocation service ("Service") as a sub-advisor to Rodgers. Rodgers uses the Service as a tool in making investment decisions for its Clients that have established TD Ameritrade ASA Accounts ("ASA Accounts"). The Service provides asset allocation recommendations, generally in the form of Exchange Traded Funds ("ETFs") that are based upon the application of Amerivest's computer-based models to specific categories of information that Rodgers provides to Amerivest regarding the Client. This information may not include all of the Client's individual financial circumstances that Rodgers considers when making investment decisions for the Client and the Service recommendations may not be consistent with the Client's financial situation or goals, including those which may have been provided to TD Ameritrade with respect to its accounts at TD Ameritrade. Rodgers makes the final investment decisions and suitability determinations with respect to investments for its

Clients' accounts and neither Amerivest nor TD Ameritrade assumes any responsibility for Rodgers's investment decisions or the suitability of the investments for Rodgers's Clients.

TD Ameritrade will not charge commissions on transactions in ETFs in Rodgers' Client's ASA Accounts, including transactions to liquidate positions transferred into such accounts.

Rodgers pays Amerivest an annual sub-advisory fee, payable quarterly, for this Service. The fee is based on the amount of Client assets that Rodgers places or commits to place in the Service, net of withdrawals. Client assets that are "plan assets" of plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or of a plan as defined in Section 4975 of the Internal Revenue Code will be excluded from the determination of the level of Client assets in the Service for the purpose of the fee computation.

The basic fee to Rodgers for the Service is 25 basis points per year for each Client account. There is a \$25,000 minimum asset requirement per Client account. The basic fees are reduced when Rodgers places or commits to place more Client assets in the Service. The basic fee is reduced for all Client accounts when Rodgers places or commits to place \$1 million or more of Client assets in the Service and is reduced further when Rodgers places or commits to place \$5 million or more of Client assets in the Service. If Rodgers places or commits to place \$1 million to \$4,999,999.99 of Client assets in the Service, Rodgers will have the annual fee reduced to 20 basis points. If Rodgers commits to place such amount but in fact does not within ninety (90) days, Rodgers will be charged at the basic rate. Similarly, if Rodgers places or commits to place \$5 million or more of Client assets in the Service, Rodgers will have the annual fee reduced to 15 basis points. If Rodgers commits to place such amount but in fact does not within ninety (90) days, Rodgers will be charged at the rate applicable to \$1 million or more if that level is reached or, if not, at the basic rate. The actual amount Rodgers pays will be based on the market value of Client assets in the Service on the last day of each calendar quarter multiplied by one fourth of the applicable fees. However, the annual fee for account values of less than \$20,000 will be the lesser of \$100 or 2.95% (295 basis points), assessed quarterly at a rate of the lesser of \$25 or 73.75 basis points.

Rodgers determines the amount of the investment management fees it charges to Clients. Rodgers compensates Amerivest for the Service from the fees it charges and therefore does not pass on to Clients any fee reduction Rodgers receives in connection with the Service. Although Rodgers currently believes that the TD Ameritrade custody and brokerage services and the Amerivest sub-advisory Service are competitive in the marketplace for similar services offered by other broker-dealers, custodians and advisers, the Agreement with Amerivest and the fee structure for it as described herein for the Amerivest Service may effect Rodgers's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for Client accounts and Amerivest as sub-advisor.

When purchasing or selling the same security for more than one client and when applicable, Rodgers may aggregate an order to ensure Clients receive the same price. By aggregating orders it ensures that no particular Client is favored over other Clients. Specifically, each Client that participates in aggregated order will participate at the average share price for all transactions in that security on that business day. Securities are allocated in proportion to the size of the order placed for each account. In the event an order is partially filled, Rodgers will allocate securities

pro rata based on the original order. However, Rodgers may increase or decrease the amount of securities allocated if it would be impractical to allocate a small number of securities among the accounts participating in the transaction. Employees of the Company will not participate in any trading done on an aggregate basis. Instead employees can trade after all Client trades have been executed.

## **Review of Accounts**

Most Clients of Rodgers are managed and reviewed on a continuous basis. Overall investment management, market prospects and individual issue prospects are considered in the review process. Triggering factors that may affect an account review could be any material change in a Client's investment objectives and constraints, changes to Rodgers' quantitative models, as well as general economic factors or other relevant situations that may alter a Client's account. All account reviews are conducted by the designated investment adviser professional primarily responsible for each account. Non-discretionary Clients are contacted on a quarterly basis with investment recommendations. If the Client does not respond to the information provided, no action is taken with respect to the account.

Generally, the Client retaining financial planning services would not receive any scheduled reviews or on-going reports, unless specifically requested and retained to provide such services by the Client.

As may be retained by Clients, reports are individualized, thereby, the nature and frequency are determined by Client need and the services offered. However, most of the Clients of Rodgers will receive quarterly reports summarizing the investment performance of their account(s), in addition to annual reports containing tax-related information.

## **Client Referrals and Other Compensation**

Rodgers does not directly or indirectly compensate any person for Client referrals.

## **Custody**

All Clients' accounts are held in custody by unaffiliated broker/dealers or banks, but Rodgers can access many Clients' accounts through its ability to debit advisory fees. For this reason Rodgers is considered to have custody of Client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Rodgers.

## **Investment Discretion**

Rodgers offers Clients investment management services as covered in the Investment Advisory Agreement where each Client's investment account and portfolio is managed on a regular and continuous basis. Rodgers may assist Client in determining, among other things, suitability, investment objectives, goals, time horizons, and risk tolerances. The Client's personal investment policy will be developed from these goals and objectives, and Rodgers will manage the Client's portfolio based on that policy. Rodgers will manage advisory accounts on a discretionary and/or a non-discretionary basis.

Within its non-discretionary capacity, Rodgers may, without specific approval by the Client, purchase or sell securities to meet the cash needs of the Client.

Non-discretionary Clients should also be aware that they will be contacted on a quarterly basis with investment recommendations. If the Client does not respond to the information provided, no action is taken with respect to the account. Accordingly, non-discretionary Clients may forego investment opportunities (or the timely implementation thereof) if they do not respond to the quarterly communications.

## **Voting Client Securities**

Rodgers will not exercise proxy voting authority over Client securities. The obligation to vote Client proxies shall rest with Clients. Clients shall in no way be precluded from contacting Rodgers for advice or information about a particular proxy vote. However, Rodgers shall not be deemed to have proxy voting authority solely as a result of providing such advice to Clients.

With regard to all matters for which shareholder action is required or solicited with respect to securities beneficially held by a Client's account, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations, Rodgers affirmatively disclaims responsibility for voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters.

Rodgers may act on tender offers for securities held in Client accounts when deemed to be in the best interest of Clients.

## **Financial Information**

Rodgers has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.