

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Adam Smith Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 952 893-9012 or jbortnem@cherrytree.com. 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 Adam Smith Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 151406.

Item 2 Material Changes

There have not been any material changes to our business since the last update of our brochure.

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Item 4 Advisory Business

Adam Smith Advisors, LLC is a SEC-registered investment adviser with its principal place of business located in Minnesota. Adam Smith Advisors, LLC began conducting business in 2009.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Adam Smith Companies, LLC, Member

In addition, the following information identifies persons that indirectly own 25% or more of our firm:

- Anton (Tony) J Christianson, Chairman

Adam Smith Advisors, LLC offers the following advisory services to our clients:

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio at least quarterly, and if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

EMPLOYEE BENEFIT RETIREMENT PLAN CONSULTING SERVICES

We also provide full investment advisory services for plans. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. These services are comprised of four distinct services. Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a risk tolerance questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, income planning, retirement planning and business planning.

Typically the financial plan is presented to the client within one to two weeks of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

ADVISORY REFERRAL SERVICES

Adam Smith Advisors, LLC has contracted with BAM Advisor Services, LLC (BAM) for subadvisory services with respect to certain clients' fixed income accounts. BAM provides fixed income portfolio construction, trade processing, record maintenance, report preparation, marketing assistance and research. BAM also has discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. BAM also monitors the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that BAM is provided with cost basis information). BAM obtains our consent prior to the sale of any client securities.

INVESTMENT SUPERVISORY SERVICES ("ISS") PORTFOLIO MANAGEMENT FOR POOLED INVESTMENT VEHICLES

We are currently advising one fund, Adam Smith Fund, LLC. We may advise other funds in the future. Our firm provides continuous advice regarding the investment of client funds based on the objectives of the fund. After determining the fund's objectives, time horizons, risk tolerance, and liquidity needs, we create and manage a portfolio on a discretionary basis.

Fund supervision is guided by the fund's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Funds may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Privately held company securities and debt
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the fund's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 1/1/2013, we were actively managing \$170,711,269 of clients' assets on a discretionary basis and \$21,914,744 on a non-discretionary basis for a total of \$192,626,013.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT SERVICE FEES

The annualized fee for these services is charged as a percentage of assets under management, according to the following schedule:

Account Balance	Annual Fee	Account Balance	Annual Fee
Up to \$249,999	1.85%	\$3,000,000 to \$3,999,999	0.75%
\$250,000 to \$499,999	1.25%	\$4,000,000 to \$4,999,999	0.70%
\$500,000 to \$749,999	1.10%	\$5,000,000 to \$5,999,999	0.65%
\$750,000 to \$999,999	1.00%	\$6,000,000 to \$6,999,999	0.60%
\$1,000,000 to \$1,999,999	0.90%	\$7,000,000 to \$9,999,999	0.55%
\$2,000,000 to \$2,999,999	0.80%	\$10,000,000 or above	0.50%

A minimum of \$500,000 of assets under management is generally required for this service. This account size may be negotiable under certain circumstances. Clients are billed in advance upon inception and at the beginning of each calendar quarter. Adam Smith Advisors, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although Adam Smith Advisors, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

EMPLOYEE BENEFIT RETIREMENT PLAN CONSULTING FEES

Our fees for Employee Benefit Retirement Plan Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

Account Balance	Annual Fee
\$0 to \$249,999	1.60%
\$250,000 to \$499,999	1.10%
\$500,000 to \$749,999	0.95%
\$750,000 to \$999,999	0.85%
\$1,000,000 to \$1,999,999	0.75%
\$2,000,000 to \$2,999,999	0.70%
\$3,000,000 to \$3,999,999	0.65%
\$4,000,000 to \$4,999,999	0.60%
\$5,000,000 to \$7,499,999	0.55%
Greater than \$7,500,000	0.50%

Plan sponsors are invoiced in advance at the beginning of each calendar quarter with the exception of one plan that is invoiced in arrears.

A minimum of \$500,000 of assets under management is generally required for this service. This minimum amount may prevent Adam Smith Advisors, LLC from providing services to very small ERISA plans.

ADVISORY REFERRAL SERVICES FEES

We do not receive any compensation for referring clients to another adviser or to subadvisors such as BAM. Client advisory fees are not increased in any way as a result of our referral of any clients to BAM. For BAM's services, BAM charges us a fee based on a percentage of assets being monitored by BAM. Clients receive a separate disclosure document from subadvisers.

FINANCIAL PLANNING FEES

Adam Smith Advisors, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$275 to \$450 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Financial Planning Fee Offset: Adam Smith Advisors, LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

The client is billed monthly in arrears based on actual hours accrued.

GENERAL INFORMATION REGARDING THE ADVISORY SERVICES LISTED ABOVE

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Adam Smith Advisors, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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 our services. In that case, the client would not receive the services provided by our firm 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 our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Adam Smith Advisors, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Adam Smith Advisors, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Adam Smith Advisors, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Adam Smith Advisors, LLC's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

INVESTMENT SUPERVISORY SERVICES ("ISS") PORTFOLIO MANAGEMENT FOR POOLED INVESTMENT VEHICLES

On a case-by-case basis, Adam Smith Advisors, LLC determines an appropriate fee structure based on the size, complexity and investment objectives of each fund. Fee arrangements will likely include a combination of a management fee and incentive fee, but may be solely limited to a management fee or an incentive-based fee. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement.

Management Fees: Adam Smith Advisors, LLC typically charges a fee for fund management that is calculated and paid as a percentage of the assets under management. The Management Fee is calculated at an annual rate and generally will not exceed 2%. Fees are calculated on a quarterly basis and are payable in advance based on the value of the capital accounts as of the beginning of the quarter. The Management Fee is prorated for periods less than a full billing cycle and adjusted to cover any additional contributions made during that period.

Incentive Fees: Adam Smith Advisors, LLC is paid performance-based compensation ("Incentive Fees"). The Incentive Fee is calculated based on a percentage of the net profits of the capital accounts on a frequency mutually agreed upon with the client.

Adam Smith Advisors, LLC's incentive fee is typically 20% of the net profits above the capital account's previous "high water mark". To the extent that the amount of account appreciation is less than the high water mark, there is a loss carryforward allocation that must be recouped before Adam Smith Advisors, LLC is entitled to a performance-based fee.

Funds who elect to terminate their contracts will be charged a performance-based fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was last assessed.

In measuring the fund's assets for the calculation of performance-based fees, Adam Smith Advisors, LLC includes both realized capital losses/gains and unrealized capital losses/gains of securities over the period. As such, we may receive compensation with regard to unrealized appreciation.

The incentive fee is earned annually and may be either paid to Adam Smith Advisors, LLC or alternatively, Adam Smith Advisors, LLC may invest the incentive fee in the fund.

The fund must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

Limited Negotiability of Advisory Fees: Although Adam Smith Advisors, LLC has established the aforementioned fees, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fees. These include the complexity of the client, assets to be placed under management,

anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fees are identified in the contract between the adviser and each client.

GENERAL INFORMATION REGARDING SERVICES TO POOLED INVESTMENT VEHICLES

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any agreement, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee only from pooled investment vehicles. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the fund.

Clients should be aware that performance-based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser; accordingly, we take the following steps to address these conflicts:

1. We disclose to funds the existence of all material conflicts of interest, including the potential for our firm and personnel to earn more compensation from advisory clients who pay performance-based fees;
2. We collect, maintain and document accurate, complete and relevant client background information, including the fund's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of the fund to verify that all recommendations made to a fund are suitable to that fund's needs and circumstances;
4. We periodically review trading frequency and portfolio turnover to identify possible patterns of "window dressing," "portfolio churning," or any intent to manipulate trading to boost performance near the reporting period; and

5. We educate our personnel regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

Item 7 Types of Clients

Adam Smith Advisors, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans
- Estates and trusts
- Pooled investment vehicles

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS (all services other than pooled investment vehicles)

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing

to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Sources of information. Our security analysis is based on a number of factors including those derived from commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis that clients may request. Our main sources of information include commercially available investment services, financial newspapers, periodicals and issuer-prepared information. We also receive research from consultants, including economists affiliated with Dimensional Fund Advisor ("DFA"). DFA provides us with historical market analysis, risk/return analysis, software to assist us in forming asset allocation strategies, and continuing education.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

METHODS OF ANALYSIS (pooled investment vehicles only)

We use the following methods of analysis in formulating our investment advice and/or managing fund assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES (all services other than pooled investment vehicles)

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We primarily purchase securities with the idea of holding them in the client's account for a year or longer incorporating the principles of Modern Portfolio Theory. This investment approach is firmly rooted in the belief that markets are "efficient" and that investors' returns are determined principally by asset allocation decisions, not by market timing or stock picking. We focus on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds that are available only to institutional investors and clients of a network of selected investment advisors.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. Occasionally, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Although all investments involve risk, our investment recommendations seek to limit risk through broad diversification and investment in conservative fixed income securities. Our investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon of a minimum of five years, and preferably ten years or more. Frequent trading of securities increases brokerage and other transaction costs that our philosophy seeks to minimize. Investors who do not commit to Modern Portfolio Theory philosophy may not achieve positive long-term results.

We may also recommend the use of long-term investment techniques such as dollar-cost averaging.

INVESTMENT STRATEGIES (pooled investment vehicles only)

We use the following strategy(ies) in managing the fund's portfolio, provided that such strategy(ies) are appropriate to the needs of the fund and consistent with the fund's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the fund for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Short sales. We may borrow shares of a stock for the fund from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We may engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the fund realizes the profit.

Margin transactions. We may purchase stocks for the fund with money borrowed from its brokerage account. This allows the fund to purchase more stock than it would be able to with its available cash, and allows us to purchase stock without selling other holdings.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying

security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Risk of Loss. Securities investments are not guaranteed and the fund may lose money on its investments. We work with the funds to understand its tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Management personnel of Adam Smith Advisors, LLC are separately licensed as registered representatives of Cherry Tree & Associates, LLC (CTA), an affiliated broker-dealer. CTA does not transact any securities transactions on behalf of Adam Smith Advisors, LLC. CTA is a limited purpose broker-dealer that focuses primarily on mergers and acquisitions in addition to private placement of securities. CTA also provides valuations and fairness opinions. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation. However, there is not a conflict of interest as our clients are not transacting securities transactions through this broker-dealer.

Management personnel of Adam Smith Advisors, LLC may also be managing member(s) of limited liability companies (LLCs) and/or general partner(s) to limited partnerships (LPs) formed for investment purposes. Our advisory clients are not solicited to invest in such LLCs and/or LPs. These related persons of our firm receive investment advisory compensation in relation to these investments, but there is not a conflict of interest because our clients are not solicited for investment. Adam Smith Advisors, LLC may act as the managing member of its clients. A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Personnel of Adam Smith Advisors, LLC, in their individual capacities, are agents for various insurance companies. As insurance agents, these individuals are able to purchase insurance and insurance-related products for any client. As such, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of insurance recommendations. While these individuals endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by Adam Smith Advisors, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Adam Smith Advisors, LLC endeavors at all times to put the interest of its clients first as part

of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Adam Smith Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Adam Smith Advisors, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. All employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jbortnem@cherrytree.com, or by calling us at 952 893-9012.

Our Code of Ethics is designed to assure that the personal securities transactions, activities

and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

6. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
7. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
8. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
9. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
10. We have established procedures for the maintenance of all required books and records.
11. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
12. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
13. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
14. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer or are investment advisor representatives of another registered investment adviser. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

BROKERAGE PRACTICES (all services other than pooled investment vehicles)

Adam Smith Advisors, LLC will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual funds and equity securities transactions, therefore, clients must direct us as to the broker dealer to be used. As a matter

of policy and practice, Adam Smith Advisors, LLC does not block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

We may directly arrange client transactions in fixed income securities, or may further provide this authority to a fixed income manager retained by us on the client's behalf with client permission. Fixed income managers are given trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part II) of the portfolio manager.

Adam Smith Advisors, LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Adam Smith Advisors, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides Adam Smith Advisors, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, 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.

Schwab enables Adam Smith Advisors, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers. As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab's services. We examined this potential conflict of interest when we chose to enter into the relationship with Schwab and have determined that the relationship is in the best interests of Adam Smith Advisors, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Adam Smith Advisors, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that

specific client's account.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Adam Smith Advisors, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Adam Smith Advisors, LLC. Schwab Institutional 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 our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Adam Smith Advisors, LLC has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Adam Smith Advisors, LLC in conducting business and in serving the best interests of our clients but that may also benefit us. Adam Smith Advisors, LLC may recommend that clients establish brokerage accounts with Fidelity, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Fidelity, it is the client's decision to custody assets with Fidelity.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Adam Smith Advisors, LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Adam Smith Advisors, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. 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 the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Adam Smith Advisors, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Adam Smith Advisors, LLC and Fidelity are not affiliated and no broker-dealer affiliated with us is involved in the relationship between Adam Smith Advisors, LLC and Fidelity.

Adam Smith Advisors, LLC's financial planning and consulting 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 recommendations. We may recommend any one of several brokers. Our clients must independently evaluate these brokers before opening an account. The factors considered by us when making this recommendation are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Our financial planning clients may use any broker or dealer of their choice.

BROKERAGE PRACTICES (pooled investment vehicles only)

For discretionary clients, Adam Smith Advisors, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

For our pooled investment vehicle clients, the brokers generally do not charge separately for

custody services but are compensated through commissions and other transaction-related fees for securities trades that are executed through the broker or that settle into the brokerage accounts.

As a matter of policy and practice, Adam Smith Advisors, LLC does not block client trades since we only have one fund. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Item 13 Review of Accounts

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within client's accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by John O'Connor and Kathleen O'Connor. These reviews are supervised by Keith Tufte and Kevin O'Connor. For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described in Item 4.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, Adam Smith Advisors, LLC will provide quarterly reports summarizing account performance, balances and holdings.

EMPLOYEE BENEFIT RETIREMENT PLAN CONSULTING SERVICES

REVIEWS: Adam Smith Advisors, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Adam Smith Advisors, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by John O'Connor and Kathleen O'Connor. These reviews are supervised by Keith Tufte and Kevin O'Connor.

REPORTS: Adam Smith Advisors, LLC will provide reports to Employee Benefit Retirement Plan Consulting Services clients based on the terms set forth in the client's Investment Policy Statement (IPS).

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

**INVESTMENT SUPERVISORY SERVICES ("ISS")
PORTFOLIO MANAGEMENT FOR POOLED INVESTMENT FUNDS**

REVIEWS: While the underlying securities within the fund are continually monitored, these securities are reviewed at least quarterly. Securities are reviewed in the context of each fund's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the market, political or economic environment.

These accounts are reviewed by: Tony Christianson

REPORTS: We provide monthly reports summarizing fund performance and balances.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is Adam Smith Advisors, LLC's policy not to allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

CUSTODY (for services other than pooled investment vehicles)

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

CUSTODY (pooled investment vehicles only)

With respect to the pooled investment vehicle clients, our firm is deemed to have custody. Annually, an independent public accountant audits the client's financial statements which are distributed to the investors of the fund.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts.

Item 17 Voting Client Securities

We may vote proxies for client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Jane Bortnem by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts and pooled investment vehicles, we do not vote proxies. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Adam Smith Advisors, LLC has no additional financial circumstances to report.

Adam Smith Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.