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Disclosure Brochure

July 17, 2014

This brochure provides information about the qualifications and business practices of Resource Horizons Investment Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at 770.319.1970. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Resource Horizons Investment Advisory, Inc. is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Resource Horizons Investment Advisory, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

Material Changes

Resource Horizons Investment Advisory (“RH Advisory”) has made no material changes to its brochure since its last annual update, dated January 23, 2013.

Currently, our brochure may be requested by contacting Laura Tedball, Chief Compliance Officer at 770.319.1970 or via email at compliance@resourcehorizons.com. Our brochure is also available on our website <http://www.resourcehorizons.com>. We will provide you with a new brochure at any time without charge.

Additional information about us and our investment advisory representatives (“IARs”) is also available via the SEC’s website: www.adviserinfo.sec.gov.

Information about your investment adviser representative (“IAR”) may be found in the IAR’s supplement to our brochure.

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Advisory Business

Resource Horizons Investment Advisory, Inc. ("RH Advisory, we, us, our") is a corporation organized under the laws of Georgia. David Miller founded the Marietta, GA-based investment advisory firm in 2007 and is the principal owner. Resource Horizons Investment Advisory, Inc. is registered as an advisory firm with the Securities and Exchange Commission ("SEC").

We offer investment advisory services through a network of independent IARs who are authorized to conduct business under their own business names or under the RH Advisory name. In addition to RH Advisory, some of our IARs conduct advisory business through RH Advisory under the following names: Black Oak Asset Management, Blanton Financial Group, Cummings Financial Services, the DGR Group, Federal Retirement Advisors, First Financial Resources, Financial Destiny, Integrated Retirement Planning, Investment Planning Solutions, JFC Financial Solutions, LCS Financial Group, Life & Benefit Services, LifePlan Financial Advisors, MBA Financial Advisors, Navigational Wealth Planning, Oak Tree Group, PRM Financial Services, Resource Horizons Investment Advisory, Retirement Asset Management, Retirement Solutions, SMARTGroup Houston, Strategic Asset Advisors, Summit Financial Services, Sun Financial Services, and Wealth Enhancement and Preservation of GA.

Our IARs may individually manage the investment assets of their clients as well as recommend or select independent third-party investment managers to manage all or a portion of client investment assets. Our IARs work with you to identify your investment goals, objectives, and risk tolerances in order to structure an investment account and an investment strategy that is consistent with your stated investment objectives.

Our IARs also provide investment consulting services that may include comprehensive financial planning or may address specific needs you identify.

Portfolio Consulting & Management Services

The investment accounts structured by our IARs may consist of stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), government securities, options, and alternative investments such as limited partnerships and real estate investment trusts.

We may also recommend that a portion of your portfolio be allocated to a third party manager. The services and fees of such manager will be fully described in its disclosure brochure. Under Portfolio Consulting and Management Services, a third party manager's fees will be separate and distinct from our advisory fee.

The investment accounts and the investment strategies are designed based upon your specific individual investment objectives, goals and risk tolerances. Our IARs may periodically adjust your account (a process referred to as "rebalancing") to help ensure that your investment account remains consistent with your objectives, goals, and risk tolerances.

Our IARs rely upon you to notify them of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes may require changes in your investment account and the investment strategies employed.

Our IARs may manage your investment account on either a discretionary basis (meaning that you authorize your IAR to make specific investment decisions on your behalf) or non-discretionary basis (meaning that your IAR must obtain your specific prior approval before a transaction can be effected for your investment account).

Whether your IAR is authorized to exercise discretion with respect to your investment account is your choice. When you establish an advisory relationship with us, we will ask that you advise us in writing how you would like your IAR to handle the account.

The scope of the discretionary authority that you may grant to one of our IARs is limited to selecting specific investments for your account and

deciding how to allocate your assets among those investments. Your IAR may decide if and when to buy, hold, or sell those investments. Once you have granted discretionary authority to your IAR, it is effective until you change or revoke it in writing.

You may impose any reasonable restrictions upon the manner in which your IAR manages your investment account. For example, you may restrict the management of your account to certain types of investment products or investment strategies.

We directly manage and diversify your portfolios based upon your risk profile, investment horizon, financial goals, income (current and potential), tax bracket, portfolio size, net worth and other various suitability factors. Restrictions and guidelines that you impose may affect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.

Wrap Fee Program

RH Advisory offers a wrap fee program in which we provide Portfolio Consulting and Management Services as outlined above, for one fee. The wrap fee program includes our advisory fee, custodial and all brokerage fees. This program is more fully described in our *Resource Horizons Investment Advisory Wrap Fee Program Brochure*. It will be provided free of charge upon request. A wrap fee program may cost you more or less than purchasing these services separately, depending upon the amount of trading activity in your account, the value of services that are provided to you under this program, and other factors. Therefore, IARs may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs result in higher overall costs to you in accounts that experience little trading activity. Please review the costs carefully with your IAR.

We do not manage wrap accounts differently from how we manage non-wrap accounts.

Assets Under Management

As of December 31, 2013, we managed approximately \$148 million in client assets where we made all of the investment decisions. Approximately \$43 million in client assets were managed where our clients made the investment decisions based upon our recommendations.

Third Party Investment Advisory Services

We may recommend that all or a portion of your portfolio be allocated to unaffiliated third party investment managers. We have entered into agreements with various other third party investment advisers to provide investment management services for our clients. Your IAR will use the information you have provided about your investment objectives, goals, and risk tolerances, as well as other relevant information, to identify a third-party investment manager(s) whose investment strategies appear appropriate for you.

Some of the other relevant information considered in recommending a third-party investment manager include but may not be limited to:

- your preference for certain types of investments or investment strategies;
- your investment time horizon;
- the size and composition of your investment account;
- your tax considerations;
- your IAR's prior experience and preference for particular investment managers;
- the fees charges by the investment manager; and
- the experience and capabilities of the investment manager.

Financial Planning Services

Your IAR may prepare and provide you with a comprehensive, written financial plan designed to help you achieve your financial goals and objectives. The preparation of such a plan requires that you provide your IAR with personal data such as family records, employment records, budgeting, assets, liabilities, estate information and tax information. The financial plan may address any or all of the following as you request and/or direct:

- asset protection
- tax planning
- business succession
- strategies for exercising stock options
- education planning
- cash flow
- estate planning
- charitable gifting
- multi-generational planning
- wealth transfer
- risk management
- long-term care and disability planning
- retirement planning
- insurance planning
- asset allocation comparisons

Should you choose to implement the recommendations contained in your financial plan, we encourage you to work closely with your attorney, accountant, insurance agent, and other advisors. RH Advisory is not authorized to practice law or to provide tax or legal advice. Your IAR will assist you in the implementation to the extent you choose.

Although you may choose to implement the recommendations made in your financial plan through your IAR, you are free to employ the services of any advisor or registered representative of your choice, regardless of whether or not that person is associated with RH Advisory.

Investment Consulting Services

Our IARs may offer investment consulting services that are limited to the specific areas you identify. These services are not considered financial planning services because we will not prepare a written report documenting our review.

The consulting services our IARs provide may include but are not limited to:

- Assisting you in the preparation of an investment policy statement;
- Reviewing and recommending changes to an existing investment policy statement (or similar guidelines, policies, and/or investment allocation that you are employing);
- Reviewing existing contracts you have with service providers such as managers and consultants, and making recommendations for changes;
- Assisting you in renegotiating the fees you pay to serviced providers and/or assisting you in conducting a search for new service providers;
- Analyzing the performance of your current investment manager;
- Advising you regarding the manner in which your investment account is being managed and, at your request, assisting you in searching for a new investment manager;
- Advising you on the purchase and sale of particular individual investments;
- Monitoring your transaction costs; and
- Monitoring compliance by your investment managers with your investment policy statement.

Mergers & Acquisition Consulting

Certain Advisory Representatives may be involved in mergers and acquisition consulting. This involves acting as the Lead Advisor on a merger & acquisition transaction, coordinating the efforts of the attorney, the valuation expert, the broker of the deal, the source of funding and the potential buyer or seller. Our role is to keep the big picture in mind and to keep the deal moving. We provide advice on the pros and cons of various deal structures as well as various potential funding sources.

As noted above, regardless of the service you choose, we strongly encourage you to notify our IAR promptly if there are any changes in your personal circumstances, financial situation, investment objectives, or risk tolerances.

Fees and Compensation

We offer all of our services on a fee-only basis. Our fee is calculated based upon the net market value of the investment assets in your account. One-fourth of our fee is billed each calendar quarter based on the value of your account on the last day of the previous quarter. The timing of the fee is determined at the time the advisory agreement is signed.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians. Your custodian determines the values of the assets in your account.

We generally charge our investment management fees “in advance”, meaning that we charge our fees before we have provided our services to you. In certain instances, we may charge our investment management fees “in arrears”, meaning that we charge our fees after we have provided our services to you. We allow your IAR to determine how your advisory fees will be charged.

When we bill our management fee in advance, our initial fee will be calculated on the day your investment assets are received by your custodian. The amount of the fee will be calculated based on the number of days remaining in that quarter.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us.

The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the quarter. This daily fee is then multiplied by the number of calendar days in the quarter that our agreement was in effect. This amount, which equals the amount we earned for the partial quarter, is subtracted from the total fee you paid in advance to determine your refund.

When we bill our management fees in arrears, our initial fee will be calculated based on the number of days during the quarter that our

advisory agreement was in effect.

For accounts where our management fees are billed in arrears, should either one of us terminate the advisory agreement we have entered into before the end of a calendar quarter, you will only be charged our fee for the number of days during that quarter that our agreement was in effect.

While not part of our normal practice we, reserve the right, through our relationships with certain custodians, to offer clients the opportunity to select advisory fees to be payable monthly in advance instead of quarterly in advance. The monthly advisory fees are payable monthly in advance at the beginning of each calendar month. We charge one twelfth of the annual fee each month based on the market value of the client's portfolio as of the last day of the prior calendar month. The formula used for the calculation is as follows: $(\text{Annual Rate}) \times (\text{Total Assets Under Management at Month-End}) / 12$.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us.

In this instance, the amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the month. This daily fee is then multiplied by the number of calendar days in the month that our agreement was in effect. This amount, which equals the amount we earned for the partial month, is subtracted from the total fee you paid in advance to determine your refund.

Fees for Direct Asset Management

All fees are negotiable at our sole discretion. Our maximum annual fees for the direct management of your account are as follows:

<u>Assets Under Management</u>	<u>Maximum Annual Fee¹</u>
\$0 to \$100,000	2.50%
\$100,001 to \$200,000	2.25%
\$200,001 to \$250,000	2.00%
\$250,001 to \$500,000	1.75%
\$500,001 to \$1,000,000	1.50%
\$1,000,001 to \$3,000,000	1.00%
\$3,000,001 and above	0.75%

¹All fees are negotiable at our sole discretion. We have the right to change any or all of its fee schedules with 30 days written notice.

We require that you authorize us in writing to direct your custodian to pay our investment advisory fees directly to us by charging your account. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

Your custodian provides you with statements that show the amount paid directly to us. Your custodian does not verify the accuracy of fee calculations, so please review your statements carefully and verify the calculation of our fees.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees;
- brokerage commissions;
- transaction fees;
- internal fees and expenses charged by mutual funds, ETFs, and variable annuities;
- fees charged by third-party money managers;
- maintenance and termination fees for IRAs, certain retirement and qualified accounts; and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these documents before making or authorizing any investments. Your IAR will be available to answer any questions you have about fees and expenses.

If you purchase mutual funds through the custodian, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

Fees for Third Party Advisory Services

The advisory services provided by third-party investment managers and the fees they charge for those services are detailed in their respective disclosure brochures. Your IAR will provide you with a copy of the brochure for each investment manager recommended to you. RH Advisory, and in turn your IAR, will receive a portion of those fees paid to the third party manager.

Fees for Financial Planning Services

Fees for financial planning services are charged on an hourly or fixed-fee basis. On-going financial planning services may be charged based as a

percentage of the value of your investment account. The manner in which you are charged and the amount you will be charged will be negotiated between you and your IAR, as described in your advisory agreement.

Generally, the amount of our fees will depend upon the complexity of the services you need. Fixed fees may range from \$1,000 to \$40,000 per project and hourly fees may range from \$150 - \$400 per hour. Your IAR will provide you with an estimate of the cost of the services to be provided to you prior to beginning the financial planning process.

Fixed fees are due upon your receipt of the financial plan. Alternatively, with the concurrence of your IAR, you may pay this fee on a quarterly basis. Under this arrangement, one-quarter (1/4) of the fee will be due upon execution of our financial planning agreement and one-quarter (1/4) of the fee will be due on the first business day of each calendar quarter thereafter until either the fee is paid in full or we have provided all of the services we agreed to provide to you. In that case, the balance of the fee will be due in its entirety.

If the total fixed fee is less than \$1,000, you will be required to pay one-half (1/2) of the fee at the time of the execution of our financial planning agreement and the remaining one-half (1/2) will be due when your IAR presents the financial plan to you.

Hourly fees are due on a monthly basis on the last business day of each calendar month or upon completion of the services specified in the financial planning agreement, whichever comes first.

Fees for Investment Consulting Services

Fees for investment consulting services will generally be charged on a fixed-fee or hourly basis. The amount of the fee will be negotiated between you and your IAR and will depend on the scope and complexity of the services to be provided, and the estimated amount of time it will take to provide those services. If our services pertain to an investment account you maintain, our fee will generally not exceed 0.50% of the value of that account.

Generally, you will be required to pay one-half (1/2) of fixed fees at the time of the execution of our consulting services agreement and the remaining one-half (1/2) when your IAR completes the service you requested.

Hourly fees are due on a monthly basis on the last business day of each calendar month or upon completion of the services specified in the consulting services agreement, whichever comes first.

Ongoing Fees

Because any comprehensive plan is based on future expectations, you are urged to have your plan reviewed annually in order to adapt to new and changing circumstances.

We will provide planning and/or consulting services (including investment and non-investment related matters) on a stand-alone basis. Compensation is negotiated in advance depending upon the scope of the services. Prior to engaging us to provide these ongoing services, you will generally (depending upon the scope of the engagement) be required to enter a On-Going Services Agreement with us setting forth the terms and conditions of the engagement, the fee, describing the scope of the services to be provided, and the portion of the fee that is due from you prior to our commencing services.

The above initial and on-going fees are subject to negotiation at the discretion of management. Similar services may be available elsewhere for a lower fee. At the discretion of management, the financial planning fee may be waived if you become an asset management client within 90 days of the financial plan being presented to you.

Whether you implement any investment recommendations resulting from the financial planning or investment consulting services provided by your IAR is entirely at your discretion. If you implement those recommendations, you may do so through the financial professional of your choice. If you implement those recommendations through your IAR, we will receive compensation for the services provided in conjunction with that implementation.

Our IARs may also be registered representatives of Resource Horizons Group, L.L.C. ("RHG"), a broker/dealer registered with the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

If you choose to implement your financial plan through your IAR in his/her capacity as a registered representative of RHG, your IAR may receive commissions and other compensation from those transactions. For example, your IAR may receive 12b-1 fees, which are fees paid by mutual fund companies for the on-going marketing of their investment products.

Our IARs may also be licensed with various insurance companies. Commissions may be earned by our financial advisors if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors.

Our advisory representatives may also recommend various asset management firms. If you establish an investment advisory relationship with one of these firms, our financial advisors may share in the advisory fees you pay to these asset management firms.

The above described arrangements may present a conflict of interest because they could create an incentive for your IAR to make recommendations based upon the amount of compensation he or she could receive rather than based upon your particular needs. We are nonetheless committed to acting in your best interests at all times.

Your IAR will explain to you the specific costs associated with any investments recommended to you.

You are under no obligation to purchase investment or insurance products or to implement any financial plan recommendations through your IAR. You may purchase those products and implement financial plan recommendations through the investment or insurance professional of your choice.

Performance-Based Fees

We do not charge performance-based fees for any of the services described in this brochure. Performance-based fees are generally based on a percentage of the capital gains on and/or appreciation of the client account assets.

Types of Clients

We provide advisory services primarily to high net worth individuals and families, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities including their pension and profit sharing plans.

As a condition for starting and maintaining an advisory relationship with us for portfolio consulting or asset management services, we generally require that you have a minimum investment account of \$25,000. We, at our sole discretion, may allow you to engage our services if you have a smaller account. Some of the factors we consider in making this determination include pre-existing client relationships we may have with you or your family members, any additional assets you are anticipated to receive in the future, your account composition, and your anticipated future earning capacity.

At our discretion, we may consider the accounts of your family members in determining whether your account meets our minimum account size requirement.

We do not require a minimum asset amount for financial planning, hourly consulting.

For Third-Party Investment Advisory Services, the third-party investment manager typically establishes a minimum account value, which will be set out in their account opening documents and disclosure brochure. These third-party investment manager account minimums may be larger or smaller than what we would require for our asset management services.

Methods of Analysis, Investment Strategies and Risk of Loss

Our IARs select specific investments for your portfolios through the use of one or more of the following methods of analysis:

Fundamental analysis.

This is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

Technical analysis.

This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Charting.

This type of technical analysis involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc.

Asset Allocation.

With 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.

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 a 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, 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.

Third-Party Sources.

We may also elect to utilize third-party sources to provide information and/or aid with portfolio analysis. These sources may provide information relative to past investment performance, volatility, and other related benchmarks (e.g. standard deviation, beta, alpha) and general correlation with the market. Third party sources may be discovered through our network of contacts which may include other money managers, industry insiders, industry publications, investment conferences and proprietary research.

The main source of information used to formulate investment advice and/or manage assets includes financial publications, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and timing services.

Our investment strategies may include long-term and short-term purchases and sales, trading (securities sold within 30 days) and the use of options, margin, and short sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

As previously noted, we may recommend the use of third-party investment managers to implement our investment advice. We analyze individual investment managers based upon their investment strategies, experience, performance track record, reputations, and fee arrangements.

Risks for all forms of analysis.

Our analysis methods rely on the assumption that the companies whose securities we purchase and sell, the ratings agencies that review these securities, third-party sources 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.

Although we manage your account in a manner we believe is consistent with your specific investment objectives and risk tolerances, there can be no guarantee that our efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance.

You should be prepared to bear the risk of loss. All investments are subject to loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings.

The use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

You should also be aware that transactions in the account (including account reallocations and rebalancing) may trigger a taxable event for you (unless your account is a qualified retirement account).

Disciplinary Information

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

Other Financial Industry Activities and Affiliations

As explained under “Fees and Conditions” above, our IARs may be registered representative with our affiliate broker-dealer Resource Horizons Group, L.L.C. (“RHG”). They may be licensed to sell insurance products through various insurance companies that are unaffiliated with us. You are

under no obligation to utilize the services of your IAR in the purchase or sales of securities, insurance or futures products through his/her association with RHG or with an insurance company. However, any transactions you may effect through your IAR in conjunction with those relationships may result in the receipt of commissions and other compensation in addition to any advisory fees we charge.

Information about your IAR's financial industry activities and affiliations is disclosed in the IAR's Supplement which you will receive with this brochure. Additional information about your IAR is also available at www.adviserinfo.sec.gov.

Code of Ethics; Participation or Interest in Client Transactions and Personal Trading

We have adopted a *Code of Ethics* ("*Code*") to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our IARs and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that IARs may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by our IARs and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our IARs and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Our IARs and employees must follow our procedures when purchasing or selling the same securities purchased or sold for your account.

Brokerage Practices

We will generally recommend that the custodian and broker/dealer for your account be National Financial Services ("National Financial") through our relationship with RHG. In instances where the client selects an RH Advisory model portfolio, through a clearing arrangement with RH Advisory we may recommend Fidelity Investments ("Fidelity") as your broker-dealer/custodian although we may agree to employ the services of one or more other custodians.

We are independently owned and operated and not affiliated with the custodian we recommend. Our use of a particular custodian is, however, a beneficial business arrangement for us and for the custodian. Information regarding the benefits of this relationship is described below.

Our recommendation of a specific custodian is based in part on our existing relationships, the custodian's financial strength, reputation, breadth of

investment products, and the cost and quality of custody and brokerage services provided to you and our other clients.

The determining factor in the selection of custodian and securities brokerage firm to execute transactions for your accounts is not the lowest possible transaction cost, but what firm can provide what is in our view the best qualitative execution for your account.

In addition to brokerage and custody services, services customarily made available to advisors include access to investments generally available to institutional investors, research, software, and educational opportunities. Custodians may also make available or arrange for these types of services to be provided to us by independent third parties. Custodians may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or part of the fees of a third party providing these services to us.

We receive economic benefits as a result of our relationship with custodians because we do not have to produce or purchase the products and services listed above. These services are not contingent upon us committing any specific amount of business to the custodians in trading commissions. We do not enter into soft-dollar arrangements with custodians or brokers.

Because the amount of products or services we receive may vary depending upon the custodian we recommend to be used by our clients and the amount of client assets in accounts at that custodian, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

The custodians do not charge separately for holding our clients accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

Commissions and other fees for transactions executed through the custodians we recommend may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by our recommended custodians outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained through our recommended custodians. We do not attempt to allocate these benefits to specific clients.

Directed Brokerage

You may direct us in writing to use a particular custodian to execute some or all of the transactions for your account. If you do so, you may be responsible for negotiating the terms and arrangements for the account with that custodian.

We may not be able to negotiate commissions, obtain volume discounts, or best execution with custodians with which we do not have a pre-existing relationship. A difference in transaction fees and expenses may also exist between those charged to clients who direct us to use a particular custodian and other clients who do not.

Bunched Trading

We may engage in “bunched trading”, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities

purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Transactions for non-discretionary client accounts are not bunched with transactions for discretionary client accounts. Transactions for the accounts of our employees and advisory representatives may be included in bunched trades. They receive the same average price and pay the same commissions and other transaction costs, as clients.

Transactions for the accounts of our IARs or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

Review of Accounts

Our IARs review your account on an on-going basis to monitor that your investments and investment strategies are performing in a manner consistent with your stated objectives. Your IAR will contact you at least annually (or more often as agreed upon with you) to review your account with you and to update your financial status, goals, objectives, and risk tolerances. These reviews also consider any investment restrictions you have requested and how your investments meet your investment time horizons, liquidity needs, tax considerations and other circumstances unique to you. Changes in your investments and your investment strategies will be made or recommended by your IAR as they are deemed appropriate.

As previously noted, we strongly encourage you to advise your IAR of any changes in your personal circumstances, your investment goals or

objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

In addition to the reviews done by your IAR, RH Advisory staff monitors client accounts on an on-going basis to help ensure that the investments and transactions in those accounts are consistent with the information you have provided.

Third-Party Investment Advisory Services

Our IARs will regularly review the reports provided to you by any third-party investment managers that are managing assets for you. Your IAR will contact you at least annually (or more often as agreed upon with you) to review your financial situation, investment goals and objectives and risk tolerances, and the performance of the third-party investment manager to help monitor that your account is being managed in a manner consistent with your objectives.

Again, we strongly encourage you to advise your IAR of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to help ensure that your investments and investment strategies are appropriate for you.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

Client Referrals and Other Compensation

We may enter into written agreements with certain unaffiliated investment advisers and other professionals (such as CPAs, attorneys, etc.) to compensate them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that you pay us if it is determined that you have become a client of ours as a result of their direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Our solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the services provided;
- the fees to be paid;
- disclosure of solicitor arrangements to clients; and
- client consents, as required.

We receive certain economic benefits as a result of our participation in National Financial’s and Fidelity’s institutional program. Those benefits are described in detail in the preceding section entitled “Brokerage Practices.”

Custody

Your assets are maintained with a qualified custodian. We do not have physical custody of your assets but may be deemed to have custody when you authorize us to deduct our fees from your account. You will receive statements from your account custodian on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account.

We also encourage you to contact your IAR or our Chief Compliance Officer, Laura Tedball, should you have any questions or concerns regarding your account.

Third Party Advisory Services

You will receive quarterly performance reports from the manager who you've selected to invest the assets in your account. We do not provide regular reports to clients who participate in these programs. You will receive a minimum of a quarterly statement from the third party money management program.

Investment Discretion

As previously noted, we offer our advisory services on a discretionary basis (meaning that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account) and a non-discretionary basis (meaning that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts).

We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority you grant to us does not provide us the ability to choose the custodian through which transactions for your account will be executed or to negotiate fees or expenses. Additionally, our discretionary authority does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which may only be done with your prior written authorization).

We will exercise discretion in a manner consistent with the stated investment objectives for your account.

Third Party Advisory Services

Typically in Third Party Advisory Services, the third party investment manager will exercise discretion in the management of client accounts. All securities transactions will be decided upon and executed by that manager. We will not manage or obtain discretionary authority over the assets in accounts participating in these programs. However, you may grant us the discretionary authority to hire and fire such third party managers on your behalf.

Voting Client Securities

RH Advisory and its IARs do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

You will receive information related to proxies directly from your account custodian. We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.