

# **Solenture Advisors, LLC**

**SEC File Number: 801 – 63092**

## **Brochure Dated 3/14/2014**

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**This Brochure provides information about the qualifications and business practices of Solenture Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (412) 281-5472 or [tom.horwat@solenture.com](mailto:tom.horwat@solenture.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 Solenture Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Solenture Advisors, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2        Material Changes**

There were no material changes since last filing.

## **Item 3        Table of Contents**

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business .....	3
Item 5	Fees and Compensation .....	5
Item 6	Performance-Based Fees and Side-by-Side Management .....	8
Item 7	Types of Clients.....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	8
Item 9	Disciplinary Information .....	9
Item 10	Other Financial Industry Activities and Affiliations .....	9
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12	Brokerage Practices .....	11
Item 13	Review of Accounts.....	13
Item 14	Client Referrals and Other Compensation .....	13
Item 15	Custody.....	14
Item 16	Investment Discretion.....	14
Item 17	Voting Client Securities.....	15
Item 18	Financial Information .....	15

## Item 4      **Advisory Business**

- A. Solenture Advisors, LLC (“Solenture” “we,” “us” or “our”) is a limited liability company formed on March 18, 2004 in the Commonwealth of Pennsylvania. Solenture became registered as an investment advisory firm in April, 2004. Solenture, Inc., a licensed insurance firm, is the sole member of Solenture. Steven C. Price is the CEO of Solenture, Inc..
- B. As discussed below, Solenture offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **INVESTMENT ADVISORY SERVICES**

Clients may engage Solenture to provide discretionary and non-discretionary investment advisory services on a *fee* basis. In connection with our discretionary investment advisory services, we shall allocate client assets on a sub-advisory basis to independent third-party managers who are not affiliated with us (“Independent Managers”). Subject to any limitations which the client may impose in writing, the Independent Managers shall have full discretion with respect to the assets which have been allocated to them. The investment strategies and recommendations employed by the Independent Managers will be suitable for the client’s financial objectives, but these strategies may differ from those employed by us. We will review the performance of these Independent Managers periodically to ensure, among other things, that the strategies employed by such Independent Managers continues to be suitable for our clients and consistent with the methodologies disclosed in their respective Form ADV. We have full discretion to discontinue the use of any Independent Manager, and/or to substitute other Independent Manager(s), with respect to any client assets that may be allocated to them. A client may discontinue the use of any Independent Manager selected by us, but the use of any substitute Independent Manager is solely within our discretion and contingent upon the establishment of a sub-advisory relationship acceptable to us. Solenture’s annual investment advisory fee for discretionary and non-discretionary advisory services shall vary (up to 1.50% of the total assets placed under Solenture’s management/advisement) and shall be based upon various objective and subjective factors relating to the level and scope of the investment advisory services to be rendered, including, but not limited to, the amount of the assets placed under management, the level and scope of financial planning and consulting services to be rendered, and the complexity of the engagement. (See Fee Differentials below).

Our annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in our sole discretion), we may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

## **FINANCIAL PLANNING AND CONSULTING SERVICES**

To the extent requested by a client, we *may* provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Our planning and consulting fees are negotiable, but generally range from \$100 to \$700 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Solenture to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* which sets forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to commencing the services. If requested by the client, we may recommend the services of other professionals for implementation purposes, including our representatives in their individual capacities as registered representatives of a broker-dealer and/or licensed insurance agents (*See* disclosure at Item 10 C.1 and 10 C.8). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from us. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

## **RETIREMENT CONSULTING**

We also provide non-discretionary or discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, we shall also provide participant education or investment advice designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between Solenture and the plan sponsor.

## **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, we *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Solenture, nor any of its representatives, serves as an attorney or accountant, and no portion of our services should be construed as same. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of Solenture in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from us. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

As indicated above, we price our services based upon various objective and subjective factors. As a result, our clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall

financial planning and/or consulting services to be rendered. The services to be provided by us to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

**Non-Discretionary Service Limitations.** Clients that determine to engage us on a non-discretionary investment advisory basis must be willing to accept that we cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, we will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), we may maintain cash positions for defensive purposes. All cash positions shall be included as part of assets under management for purposes of calculating our advisory fee.

**Client Obligations.** In performing its services, we shall not be required to verify any information received from the client or from the client's other professionals, and we are expressly authorized to rely on such information. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify us if there are any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Disclosure Statement.** A copy of this Brochure shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement or Retirement Plan Consulting Agreement*. All material changes to this Brochure will be provided annually. Clients may also request a copy of the current Brochure by contacting the Chief Compliance Officer.

- C. We shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, either directly or through the Independent Managers, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, we shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on our services.
- D. Solenture does not participate in a wrap fee program.
- E. As of December 31, 2013, Solenture managed approximately \$239,071,459 on a non-discretionary basis; of this amount, approximately \$23,387,136 consisted of retirement plan assets and \$1,014,963 individual account assets.. Also, as of such date, Solenture managed approximately \$1,400,248 on a discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client may engage Solenture to provide investment advisory services on a *fee* basis.

## **INVESTMENT ADVISORY SERVICES**

Our annual investment advisory fee for discretionary and non-discretionary advisory services shall vary (up to 1.50% of the total assets placed under Solenture's management/advisement) and shall be based upon various objective and subjective factors relating to the level and scope of the overall investment advisory services to be rendered, including, but not limited to, the amount of the assets placed under management, the level and scope of financial planning and consulting services to be rendered, and the complexity of the engagement. (See Fee Differentials above). Our fee shall include any fees payable to the Independent Managers.

Our annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in our sole discretion), we may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

## **FINANCIAL PLANNING AND CONSULTING SERVICES**

To the extent specifically requested by a client, we *may* provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Our planning and consulting fees are negotiable, but generally range from \$100 to \$700 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

## **PENSION CONSULTING**

Pension Consulting fees will be charged in one or combination of the following:

1. As a fixed fee, typically ranging from \$6,000 to \$250,000, depending on the nature and complexity of each client's circumstances. Fixed fees will typically be billed monthly in arrears, based on the quoted fee to the client and the time period of the arrangement. However, these fees may also be billed on completion, and therefore clients are requested to refer to the client agreement for further information.
  2. On an hourly basis, ranging from \$100 to \$700 per hour, depending on the nature and complexity of each client's circumstances. Hourly fees will typically be billed monthly in arrears based on the time accrued by us for the previous month.
  3. On a percentage of assets under management basis, ranging from 0.10% to 1.50%, depending on the nature and complexity of each client's circumstances. These fees will typically be billed monthly in arrears based on the asset amount calculated for the previous month.
- B. Clients may elect to have our advisory fees deducted from their custodial account. Both our *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of our investment advisory fee and to

directly remit that management fee to us in compliance with regulatory procedures. In the limited event that we bill the client directly, payment is due upon receipt of our invoice.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, we shall generally recommend that MidAtlantic Capital Corporation, Inc. ("*MACC*") or Charles Schwab & Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *MACC* and *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to our investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Our annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. We do not generally require an annual minimum fee or asset level for investment advisory services. All fees imposed by us are negotiable. We may, in our sole discretion, charge a lesser investment management fee based upon certain criteria. (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Solenture and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, we shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. **Securities Commission Transactions.** Clients may engage our representatives, in their individual capacities, as registered securities representatives of *MACC*, an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *MACC*, *MACC* will charge brokerage commissions to effect securities transactions, a portion of which commissions *MACC* shall pay directly to our representatives, as applicable. The brokerage commissions charged by *MACC* may be higher or lower than those charged by other broker-dealers. In addition, *MACC*, as well as our representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 and shareholder service fees directly from the mutual fund company during the period that the client maintains the mutual fund investment.
1. **Conflict of Interest:** The recommendation that a client purchase a commission product from *MACC* presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from our representatives.
  2. Clients may purchase investment products recommended by us through other, non-affiliated broker dealers or agents.

3. We do not receive more than 50% of our revenues from advisory clients as a result of commissions or other compensation for the sale of investment products that we recommend to our clients.
4. When our representatives sell an investment product on a commission basis, we do not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, our representatives do not also receive commission compensation for such advisory services. A client may, however, engage Solenture to provide investment management services on an advisory fee basis and, separate from such advisory services, purchase an investment product from our representatives on a separate commission basis.

## **Item 6      Performance-Based Fees and Side-by-Side Management**

Neither Solenture nor any of our investment representatives accepts performance-based fees.

## **Item 7      Types of Clients**

Our clients generally include individuals, pensions and profit sharing plans, business entities, trusts, estates and charitable organizations. We do not generally require an annual minimum fee or asset level for investment advisory services. In our sole discretion, we may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. We may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

We may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Investment Risk**. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by us) will be profitable or equal any specific performance level(s).



- B. Our methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, we must have access to current/new market information. We have no control over the dissemination rate of market information; therefore, unbeknownst to us, certain analyses may be compiled with outdated market information, severely limiting the value of our analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Our primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, we primarily allocate client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") on a non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9      Disciplinary Information**

Solenture has not been the subject of any disciplinary actions.

## **Item 10      Other Financial Industry Activities and Affiliations**

- A. As disclosed above in Item 5.E, certain of our representatives are also registered brokerage representatives of *MACC*, an SEC registered and FINRA member broker-dealer.
- B. Neither Solenture, nor its investment representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Certain of our representatives, in their individual capacities, are licensed insurance agents with Solenture, Inc., the sole member of Solenture. As such, these agents may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4 B above, clients can engage these representatives to purchase insurance products on a commission basis.

The recommendation by these representatives that a client purchase a securities or insurance commission product presents a *conflict of interest*, as the receipt of

commissions may provide an incentive to recommend investment products and/or insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products or insurance products from us, and Clients are reminded that they may purchase securities and/or insurance products recommended by us through other, non-affiliated broker-dealers and/or insurance agents.

- D. We may recommend that prospective clients allocate their assets among the Independent Managers. These Independent Managers may serve either as sub-advisors (in which case we will continue to serve as the primary advisor) or have a direct relationship with the client. In either case, the Independent Managers are neither supervised nor reviewed by us on a daily basis. When referring a Client to an Independent Manager, we act solely in the capacity as solicitor and shall present a separate solicitor disclosure statement describing the nature of the relationship, and the compensation arrangement, between us and the Independent Manager. The terms and conditions under which the client shall engage the Independent Manager shall be set forth in a separate written agreement between the client and the Independent Manager. If the client engages any such recommended Independent Manager and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the Independent Manager.

If the client engages an Independent Manager that we have referred, we shall generally be compensated for our services by receipt of a referral fee to be paid by Independent Manager in accordance with applicable securities laws. Any such referral fee shall be paid solely from the investment management fee paid to the Independent Manager by the client, and shall not result in any additional charge to the client. In addition to our solicitor disclosure statement, the client shall also receive Part 2A of Form ADV from the Independent Manager.

The recommendation by Solenture that an individual or entity engage an Independent Manager presents a ***conflict of interest***, as the receipt of the referral fee, or other business relationship between Solenture and the Independent Manager, may provide an incentive to recommend that Independent Manager, in lieu of selecting that Independent Manager solely on a particular client's need. To avoid this conflict, we carefully scrutinize and monitor all Independent Managers recommended by us. Further, no prospective client is under any obligation to engage the Independent Manager(s) recommended by us.

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

- A. We maintain an investment policy relative to personal securities transactions. This investment policy is part of our Code of Ethics, which serves to establish a standard of business conduct for all of our Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

We also maintain and enforce written policies reasonably designed to prevent the misuse of material non-public information by Solenture or any person associated with the Solenture.

- B. Neither Solenture nor any of our related persons recommends, buys, or sells for client

accounts, securities in which we or any related person of has a material financial interest.

- C. Our investment representatives *may* buy or sell securities that are also recommended to clients. This practice may create a situation where our investment representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if we did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of our clients) and other potentially abusive practices.

We have a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of our officers, directors and supervised persons (s “Access Persons”). Our securities transaction policy requires that an Access Person must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter. In addition, each Access Person must provide the Chief Compliance Officer with a written record of his/her personal securities transactions for each calendar quarter no later than thirty (30) days after the end of such quarter.

- D. Our Access Persons *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a potential conflict of interest in that our representatives are in a position to materially benefit from the sale or purchase of those securities. As indicated above in Item 11 C, we have a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of our Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that we recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct us to use a specific broker-dealer/custodian), we generally recommend that investment management accounts be maintained at *MACC* and/or *Schwab*. Prior to engaging us to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* which sets forth the terms and conditions under which we shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending *MACC* and/or *Schwab* (or any other broker-dealer/custodian to clients) include their historical relationship with us, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our clients shall comply with our duty to obtain best execution, a client may nevertheless pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction. In all such cases, we have determined, in good faith and consistent with our duty to provide best execution, that the commission/transaction fee 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, although we will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from *MACC* and/or *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the us to better monitor and service client accounts maintained at such institutions. Included within such support services that we may obtain are investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us in furtherance of our investment advisory business operations. As indicated above, certain of the support services and/or products may assist us in managing and administering client accounts. Others do not directly provide such assistance, but rather assist us to better manage and further develop our advisory business.

Our clients do not pay more for investment transactions effected and/or assets maintained at *MACC* and/or *Schwab* as a result of this arrangement. There is no corresponding commitment made by Solenture to *MACC* and/or *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. We do not receive referrals from broker-dealers.
3. We do not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by us. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Solenture to effect securities transactions for the client's accounts through a specific broker-dealer, the client is made aware, and correspondingly acknowledges, that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Solenture.

- B. To the extent that we provide investment management services, the transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients for whom we provide investment management services, account reviews are conducted on an ongoing basis, at least annually, by our Principals and/or investment representatives. All clients are advised that it remains their responsibility to advise us of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with us on an annual basis.
- B. We *may* conduct more frequent account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. We may also provide a written periodic report summarizing account activity and performance.

### **Item 14      Client Referrals and Other Compensation**

As referenced in Item 12.A.1 above, we may, without cost (and/or at a discount), receive support services and/or products from *MACC* and/or *Schwab*. Our clients do not pay more for investment transactions effected and/or assets maintained at *MACC* and/or *Schwab* as a result of this arrangement. There is no corresponding commitment made by the Solenture to *MACC* and/or *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

### **ADDITIONAL COMPENSATION**

Our representatives may, from time to time, receive incentive awards for the recommendation/introduction of insurance products. The receipt of this compensation may affect our representative's judgment in recommending products to its clients. Our representatives may, from time to time, receive 12b-1 and shareholder service fees in connection with the sale of mutual funds through MACC. This additional compensation is only paid in connection with insurance accounts held with Solenture, Inc. or brokerage accounts held by MACC, and not with any investment advisory account held by us. While these individuals endeavor at all times to put the interest of the clients first as part of our 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.

- A. If a client is introduced to us by either an unaffiliated or an affiliated solicitor, we *may* pay that solicitor a referral fee in accordance with the requirements of applicable law. Any such referral fee shall be paid solely from our investment management fee, and shall not result in any additional charge to the client. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of our solicitor relationship, and shall provide each prospective client with a copy of our written Disclosure Brochure, as well as a copy of the written disclosure statement disclosing the terms of the solicitation arrangement between the solicitor and us, including the compensation to be received by the solicitor from us.

## **Item 15      Custody**

We have the ability to have our advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. We may also provide a written periodic report summarizing account activity and performance.

To the extent that we provide clients with periodic account statements or reports, the client is urged to compare any statement or report provided by us with the account statements received from the account custodian. The account custodian does not verify the accuracy of our advisory fee calculation.

## **Item 16      Investment Discretion**

At the client's express authorization, we will manage client assets on a discretionary basis. All discretionary accounts administered by us through the Independent Managers have established broad asset allocation parameters and restrictions which have been imposed by each client in writing. The client agrees to the guidelines based on their investment objective and financial goals, and the account is then administered by the Independent Managers pursuant to such guidelines. We do not, however, review the recommendations made by these Independent Managers on a daily basis.

Please refer to Item 4 for a description of our discretionary authority over your accounts and any limitations which you may place on this authority.

## **Item 17      Voting Client Securities**

- A. We do not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact us to discuss any questions they may have with a particular solicitation.

## **Item 18      Financial Information**

- A. Since we do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance, we are not required to furnish a balance sheet for our most recent fiscal year.
- B. We are not aware of any financial condition, contingent or otherwise, that is reasonably likely to impair our ability to meet our contractual commitments to clients.

**If you have any questions about the information contained in this Brochure, please contact our Chief Compliance Officer, Thomas Horwat, at (412) 281-5472 or [tom.horwat@solenture.com](mailto:tom.horwat@solenture.com).**