

# Disclosure Brochure

June 22, 2015



**AdvicePeriod**

This brochure provides information about the qualifications and business practices of AdvicePeriod, LLC (hereinafter “AdvicePeriod” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. 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. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). AdvicePeriod is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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### **Item 2. Material Changes**

In this Item, AdvicePeriod is required to discuss any material changes that have been made to the brochure since the last annual amendment.

The Firm has updated Item 10 to disclose relationships with Betterment Holdings, Inc. and B+ Institutional Services, LLC. Please refer to Item 10 for additional details regarding those relationships.

In addition, the Firm has updated Item 12 to include its recommendation of MTG, LLC d/b/a Betterment Securities for brokerage and custodial services.

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### Item 4. Advisory Business

AdvicePeriod is an independent registered investment adviser founded in 2013. As the name suggests, AdvicePeriod is dedicated to adding value through effective financial planning, tax and fee minimization, and estate planning advice. To best serve clients, the Firm is committed to minimizing potential conflicts of interest and providing transparent pricing. AdvicePeriod only receives compensation - in any form - from its clients.

The Firm offers coordination of predominantly passive (index) investment management services. Accustomed to servicing clients with complex estate planning and tax needs, the Firm provides a wealth advisory oversight solution aimed towards providing clients with actionable advice. Where appropriate, AdvicePeriod's advisors will work with a client's other advisors to ensure effective execution of suggested strategies. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with AdvicePeriod setting forth the relevant terms and conditions of the advisory relationship (the "*Agreement*").

AdvicePeriod is majority owned by OpenAdvisors, LLC. OpenAdvisors, LLC is principally owned by Steven D. Lockshin. As of January 14, 2015, AdvicePeriod had \$587,502,000 in assets under management, of which \$526,282,000 was managed on a discretionary basis and \$61,220,000 was managed on a non-discretionary basis.

While this brochure generally describes the business of AdvicePeriod, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on AdvicePeriod's behalf and is subject to the Firm's supervision or control.

#### Investment Management Services

Clients may engage AdvicePeriod to effect transactions within their investment portfolios on a discretionary basis, on a standalone basis, or as part of a wealth advisory oversight offering.

The Firm typically will assist clients in determining their investment objectives, risk tolerance, and cash flow needs, all of which are documented in an Investment Policy Statement and reviewed periodically. All portfolios are customized for each investor; albeit focused on planning first and passive (index) investing to effect the plan. The determination of an appropriate portfolio for each client is a function of current and future cash flow needs, risk tolerance, time horizon, terminal value (wealth transfer) goals, and modeled return.

AdvicePeriod's target clientele are taxable investors, thereby making tax efficiency a critical component of the portfolio construction process. The Firm employs a proactive use of asset location – seeking to place assets in the optimal location to minimize income tax implications and/or maximize estate tax effectiveness.

AdvicePeriod primarily allocates client assets among various investment strategies, with a strong bias for low-fee, tax advantaged investments typically embodied through a passive approach to the markets. However, where certain inefficiencies present themselves or the Firm believes that a manager has an unusual advantage in a marketplace, AdvicePeriod may suggest and employ other strategies. These strategies may include independent investment managers ("*Independent Managers*"), mutual funds, exchange-traded funds ("ETFs"), or other listed securities, in accordance with the investment objectives of its individual clients. In addition, AdvicePeriod may also recommend that qualifying clients invest in privately placed securities, which may include debt, equity and/or interests in unregistered, pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about client-selected securities, legacy positions, or other investment held in client portfolios.

AdvicePeriod tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. AdvicePeriod consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify AdvicePeriod if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if AdvicePeriod determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Independent Managers**

As mentioned above, AdvicePeriod may allocate client assets to certain *Independent Managers* to actively manage those assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either AdvicePeriod or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets.

When employed, AdvicePeriod evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. AdvicePeriod also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

AdvicePeriod continues to provide services relative to the discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed

by *Independent Managers*. AdvicePeriod seeks to ensure the *Independent Managers'* strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### Wealth Advisory Oversight Services

AdvicePeriod believes effective wealth planning is just as important as asset management. Accordingly, in addition to its investment advisory offering, AdvicePeriod may also provide clients with integrated wealth advisory oversight services, which may include general oversight and guidance on any or all of the following services, among others:

- General Financial Oversight
- Wealth Transfer and Estate Planning
- Trust Advisory Services
- Family Governance
- Philanthropy
- Insurance Review
- Investment Planning
- Concentrated Wealth Strategies
- Investment Management

In performing these services, AdvicePeriod is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

AdvicePeriod may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage AdvicePeriod to provide additional fee-based services (e.g. custom reporting, or special projects). Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by AdvicePeriod under a wealth advisory oversight engagement or to engage the services of any such recommended professionals, including AdvicePeriod itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising AdvicePeriod's previous recommendations and/or services.

## Item 5. Fees and Compensation

AdvicePeriod offers its services on a fee basis, which may include fixed fees or fees based upon assets under management or advisement.

### Fees

For standalone investment management services, the Firm generally charges ninety-five (95) basis points based on the market value of the assets being managed by the Firm. Wealth advisory oversight services

are generally provided for a fixed fee ranging from \$100,000 and up, based on the scope and complexity of the agreed upon services. Certain clients may have lower fixed fees than \$100,000 per annum. These fees are at the sole discretion of Firm management.

The annual fee for AdvicePeriod's services is prorated and charged prospectively on a quarterly basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding balance is charged to the client, as appropriate, or any prospective payment in excess of the prorated portion is credited to the client's account.

### **Fee Discretion**

AdvicePeriod, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as the complexity of the client's portfolio, the level of expertise required to service the account, the staff time involved in servicing the account, potential value added to the client for the services to be provided, pre-existing client relationships, anticipated future additional assets, dollar amount of assets to be managed, account retention and *pro bono* activities among other factors. Related client accounts may be aggregated for purposes of calculating fees. AdvicePeriod may waive its advisory fee at any time when it deems it appropriate and/or necessary.

### **Use of Margin**

AdvicePeriod may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to AdvicePeriod will be increased.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to AdvicePeriod, clients bear certain charges that may be imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

### **Fee Debit**

Clients generally provide AdvicePeriod and/or the Independent Managers with the authority to directly debit their accounts for payment of the Firm's advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly

detailing all account transactions, including any amounts paid to AdvicePeriod. Alternatively, clients may elect to have AdvicePeriod send them an invoice for direct payment.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to AdvicePeriod's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to AdvicePeriod, subject to the usual and customary securities settlement procedures. However, AdvicePeriod generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AdvicePeriod may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

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

AdvicePeriod does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

AdvicePeriod provides its services to individuals, pension and profit sharing plans, trusts, estates, family entities, and charitable organizations.

### **Minimum Portfolio Size**

As a condition for starting and maintaining a relationship with AdvicePeriod, the Firm generally imposes a minimum portfolio size of \$500,000.

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon each client's particular circumstances as it deems appropriate. AdvicePeriod reserves the right to waive the minimum at any time. However, AdvicePeriod only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. AdvicePeriod may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than AdvicePeriod. In such instances, AdvicePeriod may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

#### **Methods of Analysis and Investment Strategies**

AdvicePeriod predominantly allocates client assets to passive or quasi-passive (tax enhanced) strategies utilizing publicly traded securities such as ETFs and mutual funds, or one or more portfolios of liquid securities that are professionally managed. Nevertheless, individual client circumstances may dictate the use of other types of securities, actively managed portfolios, or alternative investments.

When utilizing active portfolio managers, alternative assets, or strategies that otherwise deviate from the general asset classes used when modeling client portfolios, AdvicePeriod relies on research provided by professional companies dedicated to the business of providing investment manager research and due diligence. The firm has elected to utilize the services of one or more professional research firms because AdvicePeriod believes that its resource allocation is more effective when allocated to wealth/financial planning, income and estate tax planning, and discipline around strategic asset allocation.

#### **Risks of Loss**

##### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

##### *Market Risks*

The profitability of a significant portion of AdvicePeriod's recommendations may depend to a great extent upon correctly assessing the long-term future course of price movements of stocks and bonds. There can be no assurance that AdvicePeriod will be able to predict those price movements accurately.

##### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market

volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Use of Independent Managers*

AdvicePeriod may recommend the use of *Independent Managers*. In these situations, AdvicePeriod generally relies on the ongoing due diligence of professional research firms, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, AdvicePeriod generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

### *Use of Private Collective Investment Vehicles*

In limited circumstances, AdvicePeriod may recommend that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

### *Exchange-Traded Notes (ETNs)*

AdvicePeriod may recommend an investment in, or allocate assets among, various exchange-traded notes (“ETNs”). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer’s credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a *Financial Institution*, which is secured by a client’s holdings. Under certain circumstances, a lending *Financial Institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client’s outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client’s borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client’s portfolio.

## **Item 9. Disciplinary Information**

AdvicePeriod has not been involved in any legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.

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

### **Affiliations with Other Institutions and Independent Managers**

Certain of AdvicePeriod’s *Supervised Persons*, in their individual capacities, are also investment adviser representatives with, and/or members of, Convergent Wealth Advisors, LLC (“*Convergent*”), a firm also founded by Steven D. Lockshin, a founder of AdvicePeriod. Such *Supervised Persons* may recommend, on a fully-disclosed basis, investment advisory services or products offered by *Convergent* or its affiliates.

Certain of AdvicePeriod’s *Supervised Persons* have minority, non-controlling equity positions in Betterment Holdings, Inc., which owns Betterment LLC (“*Betterment*”), an SEC registered investment adviser, and MTG, LLC d/b/a Betterment Securities (“*Betterment Securities*”), an SEC registered broker dealer.

As discussed above, AdvicePeriod recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain *Independent Managers*, including *Betterment*. This relationship results in a conflict of interest where AdvicePeriod considers utilizing *Betterment* as an Independent Manager for client accounts because the *Supervised Persons* may be entitled to receive distributions relative to their respective equity positions in *Betterment*. As a result, AdvicePeriod has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of its clients.

In addition, AdvicePeriod is under common control with B+ Institutional Services, LLC (“B+”), an SEC registered investment adviser. B+ is a firm that markets *Betterment’s* institutional platform for *Betterment’s* custodial and asset management services to investment advisors, including AdvicePeriod. The Firm’s parent company is eligible to receive a percentage of fees from advisers’ clients’ assets managed by *Betterment*.

### Item 11. Code of Ethics

AdvicePeriod has adopted a code of ethics in compliance with applicable securities laws (“*Code of Ethics*”) that sets forth the standards of conduct expected of its *Supervised Persons*. AdvicePeriod’s *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of AdvicePeriod’s personnel (called “*Access Persons*”) to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, AdvicePeriod’s *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm’s policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact AdvicePeriod to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

When applicable, AdvicePeriod generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*"), Schwab Advisor Services™ ("*Schwab*"), and/or *Betterment Securities* to maintain custody of clients' assets and to effect trades for their accounts. AdvicePeriod is independently owned and operated and not affiliated with either of *Fidelity* or *Schwab*. AdvicePeriod receives no compensation in cash or otherwise for recommending the services of these companies. *Betterment Securities* functions as the broker-dealer for any client portfolios managed on the *Betterment* platform. As mentioned in Item 10, certain *Supervised Persons* have minority, non-controlling equity positions in Betterment Holdings, Inc.

Factors which AdvicePeriod considers in recommending *Fidelity*, *Schwab*, *Betterment Securities*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by *Fidelity*, *Schwab* or *Betterment Securities* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by AdvicePeriod's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where AdvicePeriod determines that the commissions are 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. AdvicePeriod seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

AdvicePeriod periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct AdvicePeriod in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial*

*Institutions* with orders for other accounts managed by AdvicePeriod (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, AdvicePeriod may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless AdvicePeriod decides to purchase or sell the same securities for several clients at approximately the same time. AdvicePeriod may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among AdvicePeriod's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among AdvicePeriod's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that AdvicePeriod determines to aggregate client orders for the purchase or sale of securities, including securities in which AdvicePeriod's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. AdvicePeriod does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, AdvicePeriod may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Software and Support Provided by Financial Institutions**

AdvicePeriod may receive from *Fidelity*, *Schwab* and/or *Betterment Securities* without cost to AdvicePeriod, computer software and related systems support, which allow AdvicePeriod to better monitor client accounts maintained at *Fidelity* and/or *Schwab*. AdvicePeriod may receive the software and related support without cost because AdvicePeriod renders investment management services to

clients that maintain assets at those *Financial Institutions*. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit AdvicePeriod, but not its clients directly. In fulfilling its duties to its clients, AdvicePeriod endeavors at all times to put the interests of its clients first. Clients should be aware, however, that AdvicePeriod’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence AdvicePeriod’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, AdvicePeriod may receive the following benefits from *Fidelity*, *Schwab* and/or *Betterment Securities* through their respective institutional divisions: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; access to an electronic communication network for client order entry and account information; and facilitation of client invoicing and advisory fee payment. Clients should be aware, however, that the receipt of economic benefits by AdvicePeriod or its related persons in and of itself creates a potential conflict of interest and may indirectly influence AdvicePeriod’s recommendation of *Fidelity*, *Schwab* and/or *Betterment Securities* for custody and brokerage services.

### Item 13. Review of Accounts

#### Account Reviews

For those clients to whom AdvicePeriod provides investment management services, AdvicePeriod monitors and reviews those portfolios as part of an ongoing process. For those clients to whom AdvicePeriod provides wealth advisory oversight services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of AdvicePeriod’s investment adviser representatives. All clients are encouraged to discuss their needs, goals and objectives with AdvicePeriod and to keep AdvicePeriod informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

#### Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from AdvicePeriod and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their *Financial Institution* with those they receive from AdvicePeriod or an outside service provider.

### Item 14. Client Referrals and Other Compensation

#### Client Referrals

AdvicePeriod is required to disclose any direct or indirect compensation that it provides for client referrals. AdvicePeriod does not have any required disclosures to this Item.

#### Other Economic Benefits

In addition, AdvicePeriod is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

### Item 15. Custody

AdvicePeriod's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize AdvicePeriod through such *Financial Institution* to debit the client's account for the amount of AdvicePeriod's fee and to directly remit that fee to AdvicePeriod in accordance with applicable custody rules.

The *Financial Institutions* recommended by AdvicePeriod have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of fees paid directly to AdvicePeriod. In addition, as discussed in Item 13, AdvicePeriod may send supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from AdvicePeriod.

### Item 16. Investment Discretion

As part of its investment management services, AdvicePeriod is given the authority to exercise discretion on behalf of its clients. AdvicePeriod is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. AdvicePeriod is given this authority through a power-of-attorney included in the *Agreement* between AdvicePeriod and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). AdvicePeriod takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

For non-discretionary clients, AdvicePeriod may not make investment decisions, including buying or selling securities, for the client without prior consultation with, and the consent of, the client. Clients are advised that they may forego a particular transaction if AdvicePeriod cannot obtain that consent.

### **Item 17. Voting Client Securities**

AdvicePeriod is required to disclose if it accepts authority to vote client securities. AdvicePeriod does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

### **Item 18. Financial Information**

AdvicePeriod is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



**AdvicePeriod**

Prepared by:



**MARKETCOUNSEL®**  
*The Adviser's Advisor®*