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This Brochure provides information about the qualifications and business practices of KD Advisors, LLC (“KDA”). If you have any questions about the contents of this Brochure, please contact us at 919-256-6962. 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.

Chief Compliance Officer e-mail contact – robert.padgette@envestnetrs.com

Additional information about KD Advisors, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

March 31, 2015

Item 2 – Material Changes

This Item discusses only specific material changes that are made to this Brochure and provides clients with a summary of such changes.

As of July 01, 2014 Envestnet Retirement Solutions, LLC (“ERS”) purchased KDA’s parent company, Klein Decisions, Inc. (“KDI”).

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting ERS Compliance at (919) 256-6962 or support@envestnetrs.com.

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Item 4 – Advisory Business

Overview:

KDA provides advisory services known as KD Guidance and KD Advice (“Services”) exclusively through the internet and is considered to be an “internet-only” advisory firm. We are a wholly owned subsidiary of KDI, which is a wholly owned subsidiary of ERS. We completed official corporate filings in late 2010 and began working with clients in the fourth quarter of 2010. We provide two categories, or types, of advisory services as part of our Services to our Clients.

- **KD Guidance** – KD Guidance provides a retirement strategy (based upon your personal data and information) and a recommended asset allocation for available assets classes within your plan. Personal data may be obtained from your plan recordkeeper or may be provided by you. It does not include recommendations for specific investments (mutual funds or other investment alternatives) to be invested within each asset class. It will be up to you (the individual participant) to select the funds you want to use and how much you want to invest in each fund available as an investment option in your plan. In addition, it will be up to you to implement these recommendations and monitor the funds you have selected. The funds for your plan were selected by someone other than KDA. KDA performs no due diligence, research, or monitoring on the funds (or other investment alternatives, if any) available in your plan. Please contact your employer (plan sponsor) and/or service provider (administrator) for information on the individual investments available in your plan. KD Guidance is intended to be education, not “investment advice”, for ERISA purposes as defined by the Department of Labor.
- **KD Advice** – KD Advice provides a retirement strategy for assets within your plan. We deliver KD Advice as a non-discretionary investment adviser, and as a fiduciary, under ERISA 3(21)(A)ii. It is your sole and final decision as to whether to accept our recommendations or not. Advice differs from Guidance in that Advice provides you with specific investment recommendations through one of the two following services.
 - Single asset class funds
 - An Asset Allocation Strategy, *and*
 - Specific investment options (funds) to meet your Strategy, including how much (percentage) you should invest in each.
 - Target date funds – recommendation of a single target date fund

KDA does not take custody of assets or manage portfolios. We do not have assets under management.

Description of Services – KD Guidance and KD Advice for Retirement Plan Participants:

KDA provides Services for plan participants through retirement plan providers such as record-keepers, Third Party Administrators (TPAs), custodians (including banks, insurance companies, and broker/dealers). Not all Services may be provided for all plan sponsors or plans including

your plan. The Services provided to each plan will vary depending on the choices made by the plan sponsor or provider. All Services are provided on a fee-for service basis, and may vary from plan to plan (See Item 5, “Fees and Compensation”, below).

Technology / Software Used To Provide Services To Individual Retirement Plan Participants:

Depending on the service selected by your plan sponsor and your service provider, KDA will provide either or both KD Guidance and KD Advice. Both services use K⁴ Plan Goals, a software system developed by Klein Decisions, Inc., (our parent company) to make calculations for an overall retirement strategy which may include your specific investment advice.

We deliver KD Guidance or KD Advice to you using a software platform (K⁴ Plan Goals). This software allows you to personalize your goals and the relative importance of reaching them such as retiring earlier, having more retirement income or saving less. In addition you can, but don’t have to, include pension payments from other retirement plans, outside assets you want to include in the analysis, adjustments to estimated Social Security benefits, future salary increases, or expected age of death. This information is used to calculate your expected retirement age and income based on a savings rate and investment strategy suggested by KDA. Any calculations used to develop your complete retirement strategy which includes all four factors listed earlier are based on the asset class assumptions within the software (not specific investments).

Limitations for Services:

The asset allocation strategy we provide under KD Guidance is limited by the asset classes of the funds already selected by your plan. The investment advice we deliver to you under KD Advice *is limited* to fund investments that are available in your retirement plan. It will be up to you to implement these recommendations and monitor the funds you have selected. The funds for your plan were selected by someone other than KDA. KDA performs no due diligence, research, or monitoring on the funds available in your plan. Please contact your employer (plan sponsor) and/or service provider (administrator) for information on the individual investments available in your plan.

As described above, your final investment recommendation may be delivered in the form of investment education as an asset allocation recommendation only (KD Guidance) or as investment advice, both as asset allocation and specific fund recommendations (KD Advice). This depends on what is provided or permitted by your plan sponsor and/or plan service provider (within your specific retirement plan).

Services Solely to Support KD Guidance and KD Advice:

Certain underlying services are provided solely to support KD Guidance and KD Advice (as described above) for participants, but may not be directly visible to the participants.

1. *Asset Allocation Models*¹ – KDA creates efficiently allocated asset allocation (investment) models that are shown as investment strategy alternatives to participants within the plan sponsor's retirement plans. A plan sponsor is typically the employer which is also the responsible plan fiduciary for making certain decisions. These models are considered constant risk which means they have a constant asset allocation mix both now and in the future. A constant asset allocation creates a uniform constant expected future risk level. KDA may recommend that a participant use a constant risk model with a lower risk level as the participant becomes older, although factors other than just age are considered in the recommendation. These models are created using asset classes² supplied by the plan sponsor, provider or supplied by KDA. For each retirement plan, the asset allocation models are adjusted to include asset classes that have investment alternatives (funds) available within the plan so the participant can select one or more funds in each asset class within the model.

Limitation: Asset allocation models for a particular plan do not include an asset class when no investment alternative for that asset class is available to a participant in that plan. However, KDA does not determine, consult about, or provide any input for the investment alternatives that a plan sponsor, including your plan sponsor, includes in a plan for plan participants.

2. *Long-Term Capital Market Assumptions* – KDA formulates long-term financial market assumptions that are used in the creation of the asset allocation models. These risk and return assumptions are forward looking and there is no guarantee that the markets will have the risk or return that has been forecast. Additionally correlations are developed that forecast how different asset class returns are expected to relate to one another in the future. Thus actual results for an asset class are likely to be different than those that are forecast. This same data is used to create simulations used in the forecasting results of various retirement strategies.

The process used to develop the investment part of your retirement strategy is described in Item 8 below – Methods of Analysis, Investment Strategies and Risk of Loss.

Item 5 – Fees and Compensation

No Services are available from KDA unless K⁴ Plan Goals is being used as the platform for providing KD Guidance and KD Advice. KDI has integrated the specific functionality necessary for KDA to deliver guidance and advice in an efficient scalable platform that allows KDA to offer services for the fees listed. KDA's fees do not include any fees or expenses charged by the

¹Asset Allocation is defined as: An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon. The three main asset classes - equities, fixed-income, and cash and equivalents - have different levels of risk and return, so each will behave differently over time. An asset allocation model is then the creation of a "blend" (or model) of asset classes.

²Asset Class is defined as: A group of securities that exhibit similar characteristics, behave similarly in the marketplace, and are subject to the same laws and regulations. The three main asset classes are equities (stocks), fixed-income (bonds) and cash equivalents (money market instruments). These asset classes are often further divided into sub categories such as growth or value for equities or long term or short term for fixed income.

companies, including your service provider, that provide the funds or other investment alternatives in your plan to manage or support those investment alternatives. KDA does not receive any compensation in addition to Plan Participant Fees, direct or indirect, other than Other Fees as described below.

Plan Participant Fees: KDA's arrangements with a service provider, plan or plan sponsor to provide services to plan participants can be broken down as follows.

1. KD Guidance is generally provided to all eligible participants in a plan so each can access to KD Guidance after accepting the Participant Agreement. Fees range from \$.50 to \$5 per eligible plan participant per year depending on the services provided. The total fee is based on the total number of eligible plan participants in a plan not the number that elect to use KD Guidance. This fee is typically paid by the plan's service provider directly to KDA. The service provider may charge the plan for arranging for KD Guidance to be offered.
2. Providing KD Advice to plan participants generally falls into one of two categories.
 - a. An eligible participant that wants to use the KD Advice service makes a positive election for that service and accepts the Participant Agreement with the terms of using the KD Advice service. Fees range from \$5 to \$20 per eligible plan participant per year, depending on the requested and agreed to services provided. Fees are typically paid by the participant at the time the KD Advice investment advice is delivered and are typically debited from the participant's account for payment to KDA by the service provider. An additional fee may be charged to the participant by the service provider for services related to making KD Advice available; or
 - b. KD Advice is made available to all eligible participants in a plan so all participants may utilize the service after the participant has accepted the Participant Agreement. Fees range from \$1 to \$5 per eligible plan participant per year depending on the requested and agreed to services provided. The total fee is based on the total number of eligible plan participants in a plan not the number that elect to use the KD Advice service. This fee is typically paid by the service provider directly to KDA. The service provider may charge the plan for this service.

However, KDA and the service provider, plan, the plan sponsor, or the plan administrator may negotiate a different fee schedule based on other factors, including but not limited to:

- The total number of participants in a plan(s)
- The number of plans using a service provider,
- The number and/or types of investment alternatives in a plan or
- A flat annual or other periodic fee.

Therefore, the fees paid may vary from plan to plan. Fees paid by the participant for the KD Guidance or KD Advice are collected at the time the Services are provided so a refund is not applicable.

Other Fees: KDA (or KDI) may charge certain retirement plans, plan sponsors, plan administrators, financial institutions or others one-time or regular licensing, set-up, integration or development fees in connection with the provision of KDA (or KDI's) Services. For example, certain retirement plans, plan sponsors or plan administrators may pay fees relating to providing asset class assumptions, creating asset allocation models, the modeling of specific plan or investment characteristics, and certain institutions may pay fees relating to the development or maintenance of software or other technology used in providing the services. KDA (or KDI) may charge additional fees for technical or maintenance services, including telephone or email support, subject to negotiation based upon the nature and extent of the services.

Additional Fees and Expenses:

The fees for Services payable to us do not include fees charged by your broker dealer / custodian or by your TPA or other service providers to you or your plan. We do not receive, directly or indirectly any of these fees charged to you or your plan. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs) or other investment alternatives (your plan or service provider will provide you access to prospectuses on all mutual funds and ETFs available to be purchased in your plan. Details on fees and expenses charged are in these prospectuses for your review.);
- Custodial Fees;
- Deferred sales charges (on MF or annuities, if applicable);
- Odd-Lot differentials;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Service providers or TPA fees;
- Among others that may be incurred.

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

We do not charge advice fees on a share of the capital appreciation of the funds or securities in your 401k or other retirement account. These are often called performance based fees.

Item 7 – Types of Clients

Our Services are always part of services for plan participants that are arranged for by the plan sponsor or plan provider. We may provide our Services to a number of entities that sponsor or service retirement plans. All of our services are provided as part of the KD Guidance and KD Advice services we provide to individual retirement plan participants. The following list includes the entities through whom we may provide advice to participants:

- Retirement Plan (401k, 403b, 457, etc.) Sponsors (corporations or other business entities)
- Retirement Plan Service Providers (Record-keepers, Brokers, Bundled Providers)
- Retirement Plan Advisors and Consultants
- Taft-Hartley plans, governmental plans, municipalities

We do not impose a minimum plan or participant size to provide our services, although a minimum plan or participant size may be imposed by your service provider. The availability of KDA's services to plan participants is through agreement with your plan sponsor and / or the TPA or other service provider.

However, for a plan participant to receive access to KD Guidance or KD Advice, the use of the K⁴ Plan Goals software platform is required (please see Item 4, above) and the participant must accept the Participant Agreement.

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

Both KD Guidance and KD Advice use the methodology described below in Investment Strategies section of this Item 8. In addition KDA's unique and proprietary investment assessment process is the foundation of KD Advice.

KDA Investment Assessment Process for Single Asset Class Funds

Funds are classified by style representative of asset classes used in asset allocation models. The fund classification is based on information obtained from widely recognized and reputable independent third –party financial data sources. The classification process allows funds to be measured against their peers. Within each class, we evaluate each fund based on multiple factors and their levels of importance. Both the factors used and the relative importance are based on research by KDA and are described in more detail below. Funds receive a weighted score for each factor, the sum of which provides a single unique score for each fund. These scores are then used to rank order the funds with higher scores preferred over lower scores.

KDA ranks thousands of funds, but only a limited number selected by someone other than KDA are available in your plan. Our ranking process is totally independent of the selection process used to determine the funds available in your plan. Using our ranking system described above, KD Advice recommends the funds that are available to you in your plan which score the highest in each asset class.

Equity Model

Our equity (stock) model uses five factors weighted in the order below.

Expense Ratio³ – Low expenses are better for a mutual fund.

³ Expense ratio is defined (for mutual funds) to include operation costs and management fees (usually a percent of the fund's average net assets over a time period). Expense ratio does not include brokerage or other costs (some may vary); these expenses also contribute to a fund's total expenses.

3 Year Standard Deviation⁴ – A commonly used measure of return volatility or risk where lower is better.

3-Year Sharpe Ratio⁵ – A commonly used measure of risk-adjusted return where higher is better.

Price/Cash Flow⁶ – A commonly used valuation measure using a comparison of the stock price compared to the cash flow generated from a business. A mutual fund reports an average value across the fund holdings and lower is better.

3 Year Total Return NAV – This is a measure based on the net return after expenses and the Net Asset Value of the mutual fund.

Fixed Income Model

Our fixed income (bond) model uses four factors rated in the order listed below.

Expense ratio – Lower is better

Trailing 12 month distribution yield⁷ – Higher is better

3 Year Total Return NAV - This is a measure based on the net return after expenses and the Net Asset Value of the fund.

3 Year Sharpe Ratio - A commonly used measure of risk adjusted return where higher is better.

Both Models include a filter that is used to eliminate a fund-of-funds (a mutual fund that invests only in other mutual funds). Funds-of-funds are eliminated since they may include a fund which would not have been approved individually to be part of your plan. In addition, expenses will generally be higher because of additional costs to construct the fund-of-funds. We also exclude any funds that use significant leverage⁸ (as leverage can significantly increase the risk of the mutual fund).

Each fund receives a relative importance score for each of the relevant factors. The sum of the product of these scores and their corresponding factor weights provides a single unique score for each fund. The funds are then ranked by their overall scores to create

⁴ Standard deviation is defined as: a statistical measurement that shows how much variation there is from the arithmetic means (or, simple average) of performance. It is also described as the volatility of past mutual fund returns and is a commonly used measure for total risk.

⁵ Sharpe Ratio is a commonly used measure of risk adjusted return. The Sharpe Ratio is calculated by dividing the fund return in excess of a risk-free return (Treasury bills) by the standard deviation of the fund. The three year period is used to capture some changes in overall markets while not looking too far back to a period that may have had different fund management, style, or other variations.

⁶ Price/ Cash flow is the ratio of the stock price (or mutual fund price as mutual funds own stocks) and the ratio of the stock's price to operating cash flow. Operating cash flow is net earnings minus preferred dividends + depreciation and is a measure of a business's profits.

⁷ Distribution yield means: the 12-month historical cash flow relative to the principal amount invested in a mutual fund. Similar to Current Yield (which only measures cash flow at the current point in time), the Distribution Yield is a measure of cash flow, which will be mostly interest paid out in the period, but can also include capital gains distributions, return of principal, etc. Distribution Yield may be more or less than what the fund has actually earned in the period. Like Current Yield, Distribution Yield is not an accurate measure of the lifetime performance of an investment.

⁸ Leverage is defined as: the use of credit to enhance speculative capacity (the use of margin or derivatives to increase market exposures)

the fund rankings within your plan. When you utilize KD Advice, we recommend that you use the funds available in your plan with the highest rankings in their respective categories.

KDA Investment Assessment Process for Target Date Funds

Target date funds are generally broken down by age or retirement date ranges. Many of the age recommendations assume a retirement age of 65 or close to it so either age or retirement age recommendations can be closely correlated. The recommendations of the fund families as to which fund is appropriate for each age range is based on different target glide path for each fund within a single target date group of funds. There are variations of this approach for recommending a fund, but the important point is that these generic recommendations do not take into account the personal situation of each participant.

Using K⁴ Plan Goals, KDA is able to take into account other information provided by the participant going online or directly from the recordkeeping system. Using that additional information and the target glide path for each target date fund in the plan, KDA is able to make a personalized recommendation for a target date fund. The calculations and simulations are based on the target glide path for each individual year as provided by the fund families. The fund recommendation will never be for a fund that is for an age younger than a participant's actual age, but may be for a fund that would be for someone older if age were the only criteria used. For example someone in their 50s would not receive a recommendation for a fund that age alone would match to someone in their 30s, but might receive a recommendation for a fund that would be recommended to someone in their 60s based on age alone. This approach provides a personalized recommendation that is based on necessary risk and not a generic age based risk recommendation.

Investment Strategies

Asset Allocation Models (please see Item 4, above for additional detail): KDA creates asset allocation models for use in retirement plans. We start with capital market assumptions either provided by your service provider or developed by us using a proprietary methodology described below. Our methodology uses widely accepted techniques such as:

- Mean-variance optimization⁹
- Resampling
- Monte Carlo Simulation¹⁰ and

⁹Mean- variance optimization means: The process of portfolio construction that assumes that every rational investor, at a given level of risk, will accept only the largest expected return. More specifically, mean-variance analysis attempts to account for risk and expected return mathematically to help the investor find a portfolio with the maximum return for the minimum amount of risk. A Markowitz efficient portfolio represents just that: the most expected return at a given amount of risk (sometimes excluding zero risk). Harry Markowitz first began developing this form of analysis in an article published in 1952 and received the Nobel Prize for economics for his work in 1990.

- Asset class constraints

We devise asset allocations with various degrees of risk that are expected to efficiently provide risk-adjusted return. Each is designed to provide a diversified investment strategy across multiple asset classes. The models you can choose or that are recommended to you depend on the funds available in your plan.

Long-Term Capital Market Assumptions (please see Item 4, above for additional detail): KDA creates long-term risk, return and correlation assumptions starting with historical index data. This draws upon widely accepted techniques including but not limited to the following:

- Multiple regression analysis
- Building Blocks

Both multiple regression analysis and the building block approach look at relative risk and return of different asset classes, including historical economic conditions and long-term financial markets / economic conditions.

While this portion of our overall investment strategy is offered by KDA and may be used by your service provider, there may be other situations where your service provider receives this portion of our services for your plan (or for you as a participant in the plan) from sources *other than* KDA.

Risk of Loss

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). As you know, stock and bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not assured or guaranteed. As a result, there is always a risk of loss and a risk of not achieving a high rate of return as expected that is out of any investment professional’s control, including KDA. Our ranking models are based on historical performance data and other factors as described above. The use of our evaluation model does not assure you that the funds will perform well in the future or that there will not be subsequent losses in your retirement account. In addition, we offer our advice based only on the information you have provided about yourself and on other information provided by your plan or TPA / service provider from the retirement plan recordkeeping system. We do not update this information, nor do we verify this information. This information could include items such as your current investment balances and savings rates, age, and salary, in addition to other information about your retirement account and your plan.

¹⁰Monte Carlo simulation means: a simulation that is used to analyze the return that an investment portfolio may produce. It generates thousands of probable investment performance outcomes, called scenarios that might occur in the future. The return simulation in K⁴ Plan Goals incorporates the expected return, standard deviation of individual asset classes and the correlation (how asset class returns are expected to behave relative to one another) between asset classes. The data is combined in random order to account for the uncertainty and performance variation that's always present in financial markets. Financial analysts may employ Monte Carlo simulations to project the probability of your retirement account investments producing the return you need to meet your long-term goals.

There may be other factors that you should take into account when considering and adopting your final investment strategy as part of your total retirement strategy presented by KD Guidance or KD Advice.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us. This statement applies to KDA and all of our employees and management persons.

Item 10 – Other Financial Industry Activities and Affiliations

KDA and our employees do not have any other financial activities or affiliations to disclose to you.

Item 11 – Code of Ethics

As required by regulation (and because it’s good business), we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our Client and to maintain a Culture of Compliance within KDA.

An additional requirement of our Code is to detect and prevent violations of securities laws.

Our Code is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code with annual training and on-going monitoring of employee activity.

Our Code includes the following:

- Requirements related to the confidentiality of you and your information if known to us;
- Prohibitions on:
 - Insider trading (if we are in possession of material, non-public information);
 - Rumor mongering;
 - The acceptance of gifts and entertainment that exceed our policy standards;
 - Restrictions / Limitations on political contributions by KDA and our employees;
- Reporting of gifts and business entertainment;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time.

Our Code does not prohibit personal trading by employees (or our firm). As you may imagine, as a professional investment adviser, we follow our own advice. As a result, we may purchase or sell the same or similar securities (or securities that are suitable for an employee or related account but not suitable for any client, including you) for which you receive advice through the software as KD Advice.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; attn.: Chief Compliance Officer.

Item 12 – Brokerage Practices

We do not recommend or have brokerage relationships. We do not manage portfolios or place security transactions for any Client, including you.

Item 13 – Review of Accounts

We will not perform any review or monitoring of your participant retirement account. We will provide a strategy either with or without specific funds (KD Advice or KD Guidance) and it is up to you to monitor and review your retirement plan account. Please see Item 4, above.

Item 14 – Client Referrals and Other Compensation

KDA does not pay other managers or firms to solicit business for us.

In some instances you may pay a service or administrative fee as part of the advice fee paid to KDA when a TPA's or other plan service provider's system is used to facilitate the automated delivery of KDA's Services. This fee is negotiated with the service provider and documented in a written agreement between KDA and that service provider.

KDA may pay servicing fees to your TPA (or other service provider). These fees are dependent upon the services that the service provider makes available to us in the delivery of KD Guidance or KD Advice to you (or other plan participants).

Item 15 – Custody

KDA does not have, directly or indirectly, physical possession (custody) of any of your assets, or the retirement plans assets. All plan assets, including the accounts for a participant, are held by an independent (to KDA), third-party qualified custodian not selected by KDA.

Item 16 – Investment Discretion

KDA does not have investment discretionary authority over your plan assets or the investment of those assets.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

KDA neither receives nor votes the proxies of the securities held in your retirement plan account, or otherwise held by you.

Item 18 – Financial Information

We do not have any disciplinary or financial issues to disclose to you for our firm or any employee.

As indicated above, we do not have custody of your funds or securities held in your retirement (or any other) account that you own.

Investment Policy Committee of
KD Advisors, LLC
421 Fayetteville Street
Raleigh, North Carolina 27601
312-827-2800
August 18, 2014

This Brochure Supplement provides information about the Investment Policy Committee that supplements the KD Advisors LLC (“KDA”) brochure. You should have received a copy of that brochure. Please contact us at 919-256-6962 if you do not receive a KDA brochure or if you have any questions about the contents of this Brochure Supplement. The information in this Brochure Supplement has not been filed with, approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Item 2 – Educational Background and Business Experience

KDA provides advisory services known as KD Guidance and KD Advice (“Services”) exclusively through the internet and is considered to be an “internet-only” advisory firm. We are a wholly owned subsidiary of KDI, a wholly owned subsidiary of ERS. We completed official corporate filings in late 2010 and began working with clients in the fourth quarter of 2010. We provide two categories, or types, of advisory services as part of our Services to our Clients.

The KDA Investment Policy Committee consists of seven members:

Robert Padgette, (born in 1946), CFA, CIMA– *Senior Vice President, Managed Participant Solutions*

For more than 25 years, Bob Padgette has been involved in the development of new products and services for the investment and financial services industries. Bob founded KD Advisors in 2010 after founding Klein Decisions in 2002. Bob was the Chief Executive Officer and founder of Möbius Group, Inc., a leading provider of software and data for investment professionals. Möbius was founded in 1989 and acquired by CheckFree in 1999. Bob began his investment career at Kidder, Peabody & Co., where he last served as Vice President and National Director of the PRIME Asset Consulting Group.

During his career Bob has been active in the Investment Management Consultants Association (IMCA), serving on numerous committees and helping develop IMCA's Consultant Performance Presentation standards. As part of his IMCA activities in the 1990s he served as an instructor on the manager research and evaluation section of the CIMA certification course taught at Wharton School of Business in Philadelphia. He received the Steve Kessler annual writing award in 1997 from IMCA and the Pioneer Award from the Money Management Institute in 2003 for his overall contributions to the managed accounts industry. He has been a member of the Methodology Committee at the Retirement Income Industry Association (RIIA).

Bob received both a BSEE and an MBA from Duke University. He is a CFA Charterholder since 1988 and a Certified Investment Management Analyst (CIMA®) since 1991. He is also an active member of the CFA institute, IMCA, and RIIA. He is a Chartered Financial Analyst (CFA); with the CFA Institute, which consists of 250 hours of study and three six-hour exams and a is a Certified Investment Management Analyst (CIMA®) with the Investment Management Consultants Association which consists of a classroom program, the passing of a final exam, and 40 hours every two years of continuing education.

Ted Ponko, (born in 1956), CFA, ChFC, CEBS – *Senior Product Analyst*

Ted Ponko joined KD Advisors’ Investment Policy Committee at its inception in 2010. He is also currently the Senior Product Analyst with Klein Decisions, Inc., an investment solutions and research company located in Raleigh, NC. He has over 20 years’ experience in investment management, portfolio analytics, and retirement plan design and service. Prior to joining Klein in 2007, he served as Chief Investment Officer for the Actuarial Consulting Group, Richmond, VA

(1/2006-3/2007), and held the same position with Glenwood Capital, Raleigh, NC (1/1999-9/2003).

Ted received a B.A. degree from the College of William and Mary in Virginia (1978). He subsequently earned his M.A. (1980) and PhD (1983) from the University of North Carolina at Chapel Hill. He has been a Chartered Financial Analyst (CFA); with the CFA Institute, which consists of 250 hours of study and three six-hour exams, a ChFC, which is a comprehensive program that focuses on financial planning as a process to organize, collect and analyze information on a client's total financial situation. Also, to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals. To qualify as a ChFC, an investment professional must meet experience requirements and ethical standards, including three years of business experience immediately preceding the date of use of the designation. Also required is an undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience and, when using formal education as qualifying experience, the remaining two years must immediately precede the date of the certification. Mr. Ponko also holds the Certified Employee Benefits Specialist (CEBS) Certification: Is cosponsored by the International Foundation and the Wharton School of the University of Pennsylvania. Industry leaders in employee benefit and compensation education benefit from the certification. Each course requires successful completion of an exam in addition to qualification standards to join and prepare for the certification (an advanced understanding of employee benefits).

Item 3 – Disciplinary Information

No member of the KDA Investment Policy Committee has been convicted, pled guilty or nolo contendere to any felony, a misdemeanor that involved investments or an investment-related business, or a conspiracy to commit any of these offenses. No member of the KDA Investment Policy Committee is the named subject of a pending criminal proceeding or has been found to have been involved in a violation of an investment related business, nor has been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, them from engaging in any investment related business.

No member of the KDA Investment Policy Committee has been found to have caused an investment related business to lose its authorization to do business, or was found to have been involved in a violation of an investment-related statute or regulation before the U.S. Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

No member of the KDA Investment Policy Committee has been found to have caused an investment related business to lose its authorization to do business, or was found to have been involved in a violation of a self-regulatory organization's (SRO) rules nor was barred, expelled or suspended from membership or association with other members, or fined more than \$2,500 by any SRO.

No member of the KDA Investment Policy Committee has any other proceedings in which their professional attainment, designation, or license has been revoked or suspended because of a violation of rules relating to their professional conduct.

Item 4 – Other Business Activities

No member of the KDA Investment Policy Committee has an outside business activity.

Item 5 – Additional Compensation

No member of the KDA Investment Policy Committee has an outside business activity.

Item 6 – Supervision

Robert L. Padgett reports directly to Babu Sivadasan the Group President of Envestnet Retirement Solutions, LLC (312) 827-2800. Ted Ponko reports to Robert L. Padgett.

The KDA Investment Policy Committee creates and maintains investment policy statement templates based on the K⁴ plan goals methodology (see Form ADV Part 2A). Implementation of the investment policy is delegated to members of the KDA Investment Policy Committee that provide quarterly reviews of the advice provided to Plans.