

## **Item 1 – Cover Page**

### **Eide Bailly Advisors, LLC**

4310 17<sup>th</sup> Avenue South  
Fargo, North Dakota 58103  
(701) 476-8759  
[www.eidebailly.com](http://www.eidebailly.com)

Date of Brochure: July 2016

---

This brochure provides information about the qualifications and business practices of Eide Bailly Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (701) 476-8759. 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 Eide Bailly Advisors, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching for Eide Bailly Advisors, LLC's name or by using its CRD number: 113564.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual amendment was filed in July 2015 the following material changes have been made:

We no longer offer Family Office Services. Please see Item 4 – Advisory Business for more details.

In October 2015, we updated this disclosure brochure to indicate that we no longer utilize the programs or services offered by Securities America Advisors, Inc. Our firm's investment adviser representatives have affiliated as registered representatives of United Planners Financial Services of America, which is a securities broker-dealer. Please see Item 5 – Fees and Compensation, Item 10 – Other Financial Industry Activities and Affiliations, and Item 12 – Brokerage Practice for more details.

In October 2015, we updated this disclosure brochure regarding the use of a sub-adviser for certain clients when providing asset management services. Please see Item 5 – Fees and Compensation and Item 16 – Investment Discretion.

In July 2016, we updated our assets under management. Please see Item 4 – Advisory Business for more details.

In July 2016, we updated loan disclosure information from United Planners Financial Services of America. Please see Item 10 – Other Financial Industry Activities and Affiliations for more details.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on April 30 so you will receive the summary of material changes, if any, no later than August 28 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

## Item 3 – Table of Contents

### Table of Contents

Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	5
Ownership .....	5
General Description of Primary Advisory Services .....	5
Financial Plans .....	5
Consultations .....	5
Pension Consulting Services .....	5
Selection and Monitoring Services .....	5
Asset Management Services .....	5
Referrals to Third Party Money Managers .....	5
Limits Advice to Certain Types of Investments .....	5
Tailor Advisor Services to Individual Needs of Clients .....	6
Client Assets Managed by Advisor .....	6
Item 5 – Fees and Compensation .....	6
Financial Planning Services .....	7
Written Financial Plans .....	7
Consultations .....	8
Pension Consulting Services .....	8
Selection and Monitoring Services .....	9
Newsletters .....	10
Seminars .....	10
Commission and Fee Offset .....	11
Asset Management Services .....	11
IPlan .....	13
Third Party Money Managers .....	14
Additional Compensation .....	14
Comparable Services .....	15
Item 6 – Performance-Based Fees and Side-By-Side Management .....	15
Item 7 – Types of Clients .....	15
Minimum Investment Amounts Required .....	16
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	16
Methods of Analysis .....	16
Fundamental .....	16
Technical .....	16
<b>Cyclical</b> .....	16
Investment Strategies .....	17
Risk of Loss .....	17
Primarily Recommend One Type of Security .....	18
Item 9 – Disciplinary Information .....	18
Item 10 – Other Financial Industry Activities and Affiliations .....	18
Broker/Dealer .....	18
Registered Representative of a Broker-Dealer .....	19
Insurance Sales .....	19
Accounting, Pension Consulting and Real Estate Services .....	19
Third-Party Money Managers .....	20
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	20
Code of Ethics Summary .....	20
Participation in Client Transactions and Personal Trading .....	20

Item 12 – Brokerage Practices.....	21
Brokerage Recommendations.....	21
Directed Brokerage .....	21
Charles Schwab & Co., Inc. ....	21
Best Execution .....	22
Soft Dollar.....	22
Handling of Trade Errors.....	23
Block Trades .....	23
Item 13 – Review of Accounts.....	24
Account Reviews.....	24
Account Reports.....	24
Item 14 – Client Referrals and Other Compensation .....	24
Client Referrals.....	24
Item 15 – Custody .....	24
Item 16 – Investment Discretion.....	25
Item 17 – Voting Client Securities .....	25
Item 18 – Financial Information.....	25
Privacy Policy.....	26

## **Item 4 – Advisory Business**

### **Ownership**

Eide Bailly Advisors, LLC (“Advisor” or “we”) is an investment advisor registered with the Securities and Exchange Commission since September 2005. We are a South Dakota corporation that is wholly owned by Eide Bailly Financial Services, Inc., which is wholly owned by EB Financial Services, LLC. Eide Bailly, LLP owns all of EB Financial Services, LLC.

### **General Description of Primary Advisory Services**

We offer personalized investment advisory services including financial planning, pension consulting, asset management services and referrals to third party money managers. The following are brief descriptions of our primary services. A detailed description is provided in Item 5, Fees and Compensation, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

#### **Financial Plans**

Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning and other areas. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer advisory services in the form of written financial plans. These services do not involve actively managing your accounts. Instead, full plans focus on your overall financial situation. Modular plans focus on specific areas of concern to you.

#### **Consultations**

We also offer investment advice through consultations on any specific topic(s) of interest or concern to you. Consultations can involve a single meeting or multiple meetings. No written plan is provided with consultations.

#### **Pension Consulting Services**

We provide review and monitoring services for qualified retirement plan accounts. These services can be provided to individual client accounts within a plan or to a plan administrator for review of the entire plan. We review and monitor these accounts and provide recommendations regarding implementing and allocating the investments in the account and any new funds deposited into the account. We do not include managing plan assets.

#### **Selection and Monitoring Services**

Selection and monitoring services are comprised of four distinct services: investment policy statement preparation, selection of investment vehicles, monitoring investment performance and employee communications (educational support and investment workshops).

#### **Asset Management Services**

We offer asset management services providing you with continuous and on-going supervision over your accounts. This means that we continuously monitor your account and make trades in that account when necessary.

#### **Referrals to Third Party Money Managers**

We offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades client accounts when necessary.

### **Limits Advice to Certain Types of Investments**

We reserve the right to offer advice on any investment product that may be suitable for each client’s specific

circumstances, needs, goals and objectives. Specifically, we may provide investment advice on the following types of investments:

- Exchange-listed securities
- Exchange traded index products (i.e., SPIDERS, DIAMONDS, WEBS, “baskets” and similar grouped)
- Securities traded over-the-counter
- Foreign issues
- Warrants
- Corporate debt securities (other than commercial debt)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities and commodities
- Futures contracts on tangibles
- Interests in real estate partnerships investing in real estate and oil and gas interests

We may also offer advice on investments including but not limited to as equipment leasing, cable television, fast food franchising, agriculture, raw land, non-traded REITs, oil/gas, alternative energy, research and development, venture capital and leveraged buy-outs.

When providing some of our advisory services, we introduce you to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities.

Please refer to **Item 5, Fees and Compensation** and **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

#### **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

#### **Client Assets Managed by Advisor**

The amount of clients assets managed by Advisor totaled \$444,336,880. Of the assets under management, \$73,786,532 is managed on a discretionary basis and \$370,550,349 managed on a non-discretionary basis as of July 20, 2016.

### **Item 5 – Fees and Compensation**

In addition to the information provide in **Item 4, Advisory Business**, this section provides additional details regarding our services along with descriptions of each service's fees and compensation arrangements.

You have sole discretion about whether or not to contract for our services. In addition, you have sole discretion about whether or not to implement any recommendations made by our investment advisor representatives (“representatives”). If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any broker/dealer and/or insurance agent to implement our recommendations. Please see Additional Compensation, below.

## **Financial Planning Services**

Financial planning services can include, but are not limited to, the following areas of concern:

- Personal financial needs
- Tax and cash flow
- Death and disability
- Retirement and benefits
- Investments
- Insurance needs
- College funding and planning
- Estate planning
- Gift and donation planning.

Additionally, we offer advice on non-securities matters although this is generally provided in connection with estate planning, insurance and/or annuity advice.

Generally, financial planning recommendations are generic in nature and do not involve the recommendation of specific investment products. Recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company. However, if you elect to implement our recommendations we suggest you work closely with your attorney, accountant, insurance agent and/or stockbroker. Whether or not you implement our recommendations is entirely your decision.

### **Written Financial Plans**

You can contract for either a full or a segmented written financial plan designed to help you pursue your stated financial goals and objectives. Our investment advisor representatives ("representatives") gather required information through in-depth personal interviews. Information gathered includes your current financial status, future goals and attitudes toward risk. Various documents (e.g., informational questionnaire, financial statements, tax returns, wills, trusts, insurance policies, prior financial plans, etc.) are also gathered and reviewed. We rely on the information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you.

After completing a review and analysis of the information and documents received, our representatives develop their analyses and recommendations and present the requested financial plan. A full plan focuses on your overall financial situation and covers several of the areas previously noted, as needed by your specific situation. A segmented plan focuses only on one or more specific area(s) of concern, and you should be aware that other important issues may not be taken into consideration when our representatives develop their analyses and recommendations.

Fees for written financial plans can be charged as either an hourly or a fixed fee, as determined by you. Hourly fees are charged at \$125 to \$400 per hour, depending upon the nature and complexity of your circumstances as well as the representative providing the services. For hourly fees, an estimate of the total hours needed to complete the plan is provided at the start of the advisory relationship. If the actual hours needed exceed the estimate given, our representative contacts you for permission to continue preparing the plan.

Fixed fee ranges from \$750 to \$25,000, depending upon the nature and complexity of your circumstances. The fixed fee is determined by multiplying a quoted hourly rate by the number of hours estimated to complete the requested plan. No revision to the quoted fixed fee is made if the actual hours expended are less than or slightly more than the original estimate. However, if additional time is needed due to work outside of the originally quoted scope of services, this is discussed with you and additional fees are charged.

For both fixed and hourly fees, and depending upon the complexity of the requested services and the time needed to complete them, a retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon presentation of the plan.

Services terminate upon presentation of the financial plan. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Any collected but unearned fees are

refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in and fees remaining due.

## **Consultations**

If you do not wish to contract for a financial plan, you can receive investment advice from us through consultations on any specific topic(s) of interest or concern to you such as estate planning, retirement planning, etc. Depending on your needs and wishes, these consultations may involve more than one meeting. No written plan is provided with consultations.

Fees for consultations can be charged as either an hourly or a fixed fee, as determined by you. Hourly fees are charged at \$125 to \$400 per hour, depending upon the nature and complexity of your circumstances as well as the representative providing the services. An estimate of the total hours needed to complete the consultations is provided at the start of the advisory relationship. If more time is required than originally estimated, our representative will contact you for permission to continue with the work.

You have the final determination as to how long consultation services continue and you are charged the actual time spent on the consultations.

Fixed fee ranges from \$750 to \$25,000, depending upon the nature and complexity of your circumstances. The fixed fee is determined by multiplying a quoted hourly rate by the number of hours estimated to complete the consultations. No revision to the quoted fixed fee is made if the actual hours expended are less than or slightly more than the original estimate. However, if additional time is needed due to work outside of the originally quoted scope of services, this is discussed with you and additional fees are charged.

For both fixed and hourly fees, and depending upon the complexity of the requested consultations and the time needed to complete them, a retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon completion of the consultations.

Services terminate upon completion of the consultation services. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Any collected but unearned fees are refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in and fees remaining due.

## **Pension Consulting Services**

We also provide review and monitoring services for qualified retirement plan accounts established with an outside custodian. These services can be provided to individual client accounts within a plan or to a plan administrator for review of the entire plan. We review and monitor these accounts and provide recommendations regarding implementing and allocating the investments in the account and any new funds deposited into the account. In order to provide these services, we need copies of account and/or plan statements. You can either include us or our representative as an interested party on the account, so that a copy of the statement is delivered directly to us, or you can provide us with a copy of the statement. We review your account on a quarterly basis, unless you request more frequent reviews. We make recommendations as necessary upon completing the reviews. You have the sole discretion whether or not to follow our recommendations. All trade implementations in these accounts are your responsibility. We do not manage these accounts and we do not have any trading or discretionary authority over them.

Pension consulting services can be provided as a one-time event or on an on-going basis for a one year period. Whether one-time or on-going, fees can be charged at either an hourly rate or a fixed fee rate, as determined by you. Services provided as a one-time event are billed upon completion of the pension consultations. For on-going services, fees are billed in arrears on a quarterly basis.

Hourly fees are charged at \$125 to \$400 per hour, depending upon the nature and complexity of your circumstances as well as the representative providing the services. An estimate of the total hours needed to complete the consulting services is provided at the start of the advisory relationship. If more time is required than originally estimated, our representative will contact you for permission to continue with the work. You have the final determination as to how long services continue and you are charged the actual time spent on the pension consultations.

Fixed fee ranges from \$750 to \$25,000, depending upon the nature and complexity of your circumstances. The fixed



fee is determined by multiplying a quoted hourly rate by the number of hours estimated to complete the consultations. No revision to the quoted fixed fee is made if the actual hours expended are less than or slightly more than the original estimate. However, if additional time is needed due to work outside of the originally quoted scope of services, this is discussed with you and additional fees are charged.

For both fixed and hourly fees, and depending upon the complexity of the requested consultations and the time needed to complete them, a retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon completion of the consultations.

Services terminate upon completion of the pension consultations. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Any collected but unearned fees are refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in and fees remaining due.

### **Selection and Monitoring Services**

We offer several advisory services separately or in combination. These services can be provided as a one-time event or on an on-going basis for a one year period. While the primary clients for these services are qualified retirement trusts, 403(b) plans and Section 457 plans, we also offer these services, where appropriate, to individuals, trusts, estates and charitable organizations. Selection and monitoring services are comprised of four distinct services and you can elect to use any or all of these services:

#### **Investment Policy Statement Preparation ("IPS"):**

We meet with you in person or over the telephone to determine your investment needs and goals. We then prepare a written IPS stating those needs and goals and describing a policy under which these goals might be pursued. The IPS also lists the criteria for selecting investment vehicles and the procedures and timing interval for monitoring of investment performance.

#### **Selection of Investment Vehicles:**

We review various investments, consisting of mutual funds (both index and managed), stable value funds and exchange traded funds (ETFs), to determine which of these investments are appropriate to implement your IPS. The number of investments recommended is determined by you, based on the IPS.

#### **Monitoring Investment Performance:**

Your investments are monitored based on the procedures and timing intervals delineated in the IPS. Although we do not execute the purchase or sale of these investments, we supervise your portfolio and make recommendations to you as market factors and your needs dictate.

#### **Employee Communications:**

For pension, profit sharing and 401(k) plan clients that have individual accounts with participants exercising control over assets in their own account, we may also provide educational support and investment workshops designed for plan participants. The nature of the topics to be covered is determined by both us and the client under the guidelines established in the Employee Retirement Income Security Act of 1974 ("ERISA") Section 404(c). The educational support and investment workshops do NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

The educational support and workshops may deal with any of the following topics:

- Financial position (e.g. net worth, cash flow, mortgage strategies)
- Risk management (e.g., assessment of protection in the event of premature death)
- Investment planning (e.g., risk and return principles, time value of investing)
- Tax planning (e.g., pretax deferral versus after tax investing)

- Retirement planning (e.g., retirement goals as affected by taxes, inflation and Social Security)
- Estate planning (e.g., general understanding of wills, powers of attorney and estate settlement issues)

The educational support and workshops are not intended to and do not address the individual investment needs of a particular client or a particular plan participant. Plan participants should consult with their own financial, tax or legal advisors to determine an appropriate personalized investment plan after considering, among other factors, the individual's investment objectives, risk tolerance and overall financial condition.

Fees for educational support and workshops are charged at an hourly rate of \$400 per hour, although this rate is also negotiable based on the group size and the number of workshops or programs scheduled.

You are also responsible for any out-of-pocket and travel expenses incurred by us in providing the educational support and workshop services.

The other components available under selection and monitoring services can be charged as an hourly fee, a fixed fee or as a percentage of assets under the monitoring services, as determined by you. Hourly fees are charged at \$125 to \$400 per hour, depending upon the nature and complexity of your circumstances as well as the representative providing the services. An estimate of the total hours needed to complete the services is provided at the start of the advisory relationship. If more time is required than originally estimated, our representative will contact you for permission to continue with the work. You have the final determination as to how long services continue and you are charged the actual time spent on the pension consultations.

Fixed fee ranges from \$750 to \$25,000, depending upon the nature and complexity of your circumstances. The fixed fee is determined by multiplying a quoted hourly rate by the number of hours estimated to complete the services. No revision to the quoted fixed fee is made if the actual hours expended are less than or slightly more than the original estimate. However, if additional time is needed due to work outside of the originally quoted scope of services, this is discussed with you and additional fees are charged.

Fees charged as a percentage range from 0.25% to 1.0% of the assets under the selection and monitoring advisory agreement and are based on the nature, size and complexity of your account. Percentage fees are charged quarterly in advance based on the fair market value of your account as of the end of the previous quarter. Account values are adjusted pursuant to any credit or debit balances.

Services provided as a one-time event are billed upon completion. For on-going services charged at an hourly or fixed fee rate, fees are billed in arrears on a quarterly basis. Depending upon the complexity of the requested services and the time needed to complete them, a retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon completion of the services.

Services terminate upon completion of the services. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Fees charged as a percentage are prorated based on the number of days that services are actually provided. Any collected but unearned fees are refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in, fees remaining due or refund due to you.

## **Newsletters**

We may prepare or contract with an outside vendor to prepare general, educational and informational newsletters. Newsletters are prepared for our clients and provided free of charge.

## **Seminars**

Our representatives may present informational and educational seminars to advisory clients on general financial and investment topics at no charge. In some cases, an outside vendor, advisor firm or money manager may be invited to a seminar to discuss the features of a program(s) sponsored by the outside entity and provided by us. Seminars presented are on an invitation only basis.

## **Commission and Fee Offset**

In addition to providing advisory services, our representatives are also registered representatives and insurance agents. Therefore, they may earn fees when providing advisory services and commissions when selling securities and/or insurance products. See, **Additional Compensation**, below.

You may select any broker/dealer or insurance agent you wish to implement transactions recommended by our representatives. If you elect to have our representatives implement the transactions, they may waive or reduce the amount of the advisory fee charged by the amount of the commissions received. Any reduction is at their discretion but does not exceed 100% of the commission received.

You may also elect to implement the advice of our representatives through one or more of our other advisory programs disclosed in this Disclosure Brochure. In this case, our representatives may waive or reduce the amount of the advisory fee charged as a result of earning additional ongoing fees. Any reduction is at their discretion and is disclosed to you prior to implementing any transactions or contracting for additional services.

## **Asset Management Services**

Some of our clients elect to engage us to provide fee-based asset management services where we are solely responsible for making all investment recommendations and also for making changes to the managed account. If you elect to engage us for this service, we develop an individualized investment program for your account(s). We provide various investment strategies through our management services; a specific investment strategy and investment policy is crafted for you and focuses on your specific goals and objectives. When managing assets, we may also utilize model portfolios provided by institutional investment strategists and/or introduce you to investment managers who provide discretionary management of individual portfolios. Asset management services are separate from and in addition to the financial planning services previously discussed.

To provide these services, we need to obtain certain information from you to determine your financial situation and investment objectives. At least quarterly, you are reminded to notify us whether your financial situation or investment objectives have changed or if you want to impose and/or modify any reasonable restrictions on management of your accounts. At least annually, we contact you to determine whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on your managed accounts. We are always reasonably available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for you with the custodian and you retain right of ownership of the account (e.g., the right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations).

It is important that you understand we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in allocating investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by us equitably and consistently with the best interests of all accounts involved. However, there is no assurance that a particular investment opportunity that comes to our attention is allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to you or any other client or use it for any client's benefit.

## **Charles Schwab & Co., Inc.**

We have established a relationship with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker/dealer and member SIPC, and we may use Schwab when providing asset management services. When doing so, we assist you in establishing one or more accounts at Schwab; there is no minimum amount required to establish or maintain a managed Schwab account. We do not act as custodian and do not have direct access to your funds and securities other than to have advisory fees deducted from your account with your prior written authorization. Schwab maintains custody of all your funds and securities.

We may implement trades in some of our advisory programs on a discretionary basis. **See Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

We may provide recommendations to Client to utilize Symmetry Partners, LLC as a sub-adviser (“Sub- Adviser”) to manage Account or a portion of the assets of Account. Investment advisory fees incurred by Client may increase when Client elects to use Sub-Adviser. If the client decides to retain the Sub-Adviser, the client may be required to enter into an agreement directly with Sub-Adviser.

We will develop jointly with Sub-Adviser certain investment allocation models available for the Account and recommend an investment allocation model based upon client investment objectives, risk tolerance and financial circumstances disclosed by client to us. Sub-Adviser will exercise investment discretion and trading authority over the Account. We will monitor the performance of Sub-Adviser with respect to the Sub-Advisor’s management of the designated assets of Account relative to appropriate peers and/or benchmarks. We will be available to answer questions Client may have regarding any portion of Client’s Account managed by a Sub-Adviser and will act as the communication conduit between Client and the Sub-Adviser.

For account managed by us without a Sub-Adviser as Symmetry Partners LLC, fees for these services are based on a percentage of assets under management, and the maximum fee charged does not exceed 2% per year. Fees are negotiable based upon the complexity of your situation, the amount and composition of assets managed, the representative providing the management services, other advisory services provided to you and your relationship and history with our firm. Consequently, the annual fee charged by one representative may be different than the annual fee charged by another representative. We always disclose the fee charged to you before we provide any services.

For accounts managed by us without Sub-Adviser, fees are billed quarterly in advance and calculated based on the fair market value of the account as of the end of the previous quarter. For the initial quarter, fees are calculated on a prorated basis based on the number of days the account was open in that initial quarter. Those prorated fees will be billed in arrears at the same time as the first full quarter’s fees are billed.

For accounts managed by us through Symmetry Partners LLC as the Sub-Adviser, the investment advisory fees of Eide Bailly and the Sub-Advisor are billed quarterly in arrears and calculated based on the fair market value of the account as of the last business day of the quarter. For the initial quarter, fees are calculated on a prorated basis based on the number of days the account was open in that initial quarter. There may be additional fees or transactions cost from Schwab or Trust Company of America (TCA) as custodian of the assets.

Fee waivers or discounts may be offered to our employees and family members and friends of our associated persons which are not available to client.

For the accounts managed by us through Symmetry Partners LLC as the Sub-Adviser, the following is the schedule of annual fees charged by Eide Bailly and Symmetry Partners LLC as Sub-Adviser:

<u>Assets under Management</u>	<u>Symmetry Fee</u>	<u>Eide Bailly Fee</u>	<u>Total Fee</u>
\$0 - \$250,000	0.35%	0.90%	1.25%
\$250,001 - \$750,000	0.30%	0.85%	1.15%
\$750,001 - \$1,250,000	0.25%	0.80%	1.05%
\$1,250,001 - \$1,750,000	0.20%	0.70%	0.90%
\$1,750,001 - \$2,000,000	0.20%	0.60%	0.80%
\$2,000,001 - \$3,000,000	0.15%	0.50%	0.65%
\$3,000,001 - \$5,000,000	0.10%	0.40%	0.50%
\$5,000,001 - \$10,000,000	0.07%	0.30%	0.37%
\$10,000,001 - \$25,000,000	0.05%	0.20%	0.25%

The Sub-Adviser will calculate the investment advisory fees of both the Eide Bailly and Sub-Advisor and send instructions to the qualified custodian for the deduction of such fees.

You can make additions to and withdrawals from your account at any time, subject to our right to terminate an account.

Additions may be in cash or securities provided that we reserve the right to liquidate any transferred securities or decline to accept particular securities into your account. We consult with you about the options and ramifications of transferring securities. If you liquidate securities you may be charged transaction fees and contingent deferred sales charges (by the mutual fund or exchange traded fund) and you may also face tax ramifications. If you deposit or withdraw funds after a new billing quarter has begun, our advisory fee is not adjusted or prorated based on the number of days remaining in that quarter. If you withdraw funds, you are subject to any securities settlement procedures the custodian imposes. We design portfolios as long-term investments and withdrawals may impair the ability to achieve your investment objectives.

Fees are automatically deducted from your account, and you must provide Schwab or TCA with written authorization to have the fees deducted from the account and paid directly to us. At least quarterly, you receive an account statement from the account custodian detailing transactions in your account, including advisory fees charged. You should review the account statements received from the account custodian and verify that appropriate advisory fees are being deducted. The custodian will not verify the accuracy of the advisory fees deducted.

Schwab generally does not charge separately for maintaining custody of client accounts, but may charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account. These charges may include, but are not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Our management fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each security prospectus. The management fees we charge are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you.

Management services continue until terminated, and services can be terminated at any time by providing written notice to the other parties. Termination is effective upon receipt of the notice. We charge a prorated fee based on the number of days that services are provided prior to the effective date of termination. You receive a statement from your account custodian detailing account activity, including advisory fees charged and adjustments to those charges.

## **IPlan**

We also provide asset management services through the IPlan ("IPlan") offered and sponsored by United Planners Financial Services of America, LP ("United Planners"), an investment advisor and broker-dealer registered with the Securities and Exchange Commission, utilizing Pershing LLC as the qualified custodian for client accounts. IPlan is a non-wrap-fee program providing investment advisory services and execution of client transactions and the specified fees are not based directly on transactions in your account. Under IPlan, we assist you in establishing one or more IPlan accounts with Pershing LLC through United Planners. We require a minimum of \$25,000 to establish and maintain an IPlan account, although exceptions may be granted to this minimum upon request. When granting exceptions, we consider other accounts you may have with us as well as our history with you as a client. Household members may not aggregate or batch portfolios for purposes of reaching the minimum requirement. All brokerage transactions are processed by United Planners as introducing broker-dealer and cleared through Pershing LLC pursuant to a clearing arrangement established by United Planners with Pershing LLC. Neither we nor our representatives act as custodian of your account or have direct access to your funds and/or securities.

Our investment adviser representatives implement securities transactions for IPlan accounts in their separate capacities as registered representatives of United Planners. See, Additional Compensation, below.

The annual management fee is negotiable, with 2% being the maximum charged. Fees are negotiable based upon the complexity of your situation, the amount and composition of assets managed, the representative providing the management services, other advisory services provided to you and your relationship and history with our firm. Consequently, the annual fee charged by one representative may be different than the annual fee charged by another representative. We always disclose the fee charged to you before we provide any services. Pershing retain up to 5bps basis points (0.05%) of the annual management fee for IPlan accounts with the remainder paid to us. Pershing is responsible for collecting all fees paid by you through IPlan and will journal our portion of the advisory fee to us. Please note that our fees may be higher than fees charged by other financial professionals providing similar services.

We may invest a portion of your assets in mutual funds and exchange traded funds (ETFs) and charge an investment management fee on your assets invested in these securities. Therefore, you may pay two levels of fees for management of your assets: one directly to us and one indirectly to the managers of the mutual funds and ETFs held



in your portfolios.

The sponsor of IPlan, United Planners, may also charge an annual maintenance fee to the client. A complete description of IPlan related fees, charges, when due and termination procedures are described in the IPlan disclosure documents prepared by United Planners and which is given to you prior to or at the time an IPlan account is established.

### **Third Party Money Managers**

Through this service, we are able to establish agreements directly with third-party money managers, such as Symmetry Partners, LLC and Lauer Capital Management, offering a wide range of advisory services, including asset allocation, market timing and portfolio management. We can then refer you to a third-party money manager and the third-party money manager provides asset management and investment advisory services directly to you. This means the third-party money manager is responsible for continuously monitoring your accounts and making trades in your accounts when necessary.

When you agree to engage a third-party investment advisor that we recommend, we are considered a solicitor to the third-party investment advisor. As a result, we are paid a portion of the fee charged and collected by the third-party investment advisor in the form of solicitor fees or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

We are always responsible for assisting you with identifying your risk tolerance and investment objectives. We recommend third-party investment advisors and help determine appropriate investment strategies in relation to your stated investment objectives and risk tolerance. You must enter into an agreement directly with the unaffiliated third-party investment advisor.

Although the third-party investment will be responsible for making all investment decisions, we are available to answer questions the client may have regarding your account and act as the communication conduit between you and the third-party investment advisors. The third-party investment advisors we recommend generally require discretionary authority to determine the securities to be purchased and sold in your accounts. Our representatives do not have any trading authority with respect to your managed account(s) with the third-party investment advisor(s). Eide Bailly Advisors may in conjunction with Symmetry Partners or collaboratively known as "Joint Advisors" use discretion to trade within the portfolio sleeves per the Symmetry Asset Management agreement.

Although we review the performance of numerous third-party investment advisor firms, we enter into only a select number of relationships with third-party investment advisor firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, we have a conflict of interest because we only recommend third-party investment advisors that agree to compensate us for referring our clients.

You are advised that there may be other third-party managed programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No guarantees can be made that your financial goals or objectives will be achieved by a third-party investment advisor recommended by us. Further, no guarantees of performance can ever be offered by us. See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss, for more details.

If we recommend a third-party investment advisor to you, a complete description of that advisor's services, fee schedules and account minimums is provided in the advisor's Form ADV Disclosure Brochure. These brochures are provided to you when we initially recommend the third-party investment advisor.

While the actual fee charged to you varies depending on the third-party investment advisor utilized, the portion retained by us in the form of solicitor fees or consulting fees will not exceed 2%. All fees are calculated and collected by the selected third-party investment advisor firm who is responsible for delivering our portion of fee to us.

### **Additional Compensation**

You should be aware that our representatives are also registered representatives of United Planners Financial Services of America, LP ("United Planners"), a registered broker/dealer and member of FINRA/SIPC. In this separate capacity, they can receive a commission for selling securities products. This is a potential conflict of interest. As a registered representative, they may sell mutual funds and receive 12(b)-1 fees in addition to commissions. The 12(b)-

1 fees, named after a section of the Investment Company Act of 1940, are annual marketing or distribution fees and considered an operational or administrative expense. The fees are included as a part of the mutual fund's total expense ratio and paid from fund assets. Therefore, the fees come indirectly from your account. Every mutual fund prospectus includes a description of the fund's fees and expenses. Receiving 12(b)-1 fees represents an incentive for a registered representative to recommend funds with 12(b)-1 fees or with higher 12(b)-1 fees than funds with no fees or lower fees. This is also a potential conflict of interest. Our representatives will only recommend mutual funds to clients if those funds are suitable for you and appropriate to help fulfill your objectives.

We are under common ownership with Eide Bailly Securities, LLC, a limited use broker/dealer registered with FINRA. Some of our representatives and/or management personnel may also be registered representatives with Eide Bailly Securities, LLC in order to provide limited securities services through this entity. No new brokerage accounts are established with Eide Bailly Securities, LLC.

We are under common ownership with Eide Bailly Agency LLC, a licensed insurance agency. In addition, certain of our representatives, principals and associated persons may be licensed with several unaffiliated life, disability and other insurance companies. Our representatives, in their capacities as insurance agents, may recommend insurance products offered by these companies. If you purchase these products through our representatives in their separate capacity as insurance agents, they may receive fees or commissions. Thus, a conflict of interest exists between our interests and yours. Suitable insurance and investment products may be available from other companies. This is a potential conflict of interest, since any commissions earned could be in addition to advisory fees earned in their capacity as an investment advisor representative. You are under no obligation to purchase products either through Eide Bailly Agency, LLC or through outside insurance companies.

Please see **Item 10, Other Financial Activities and Affiliations**, and **Item 12, Brokerage Practices**, for additional discussion on these conflicts of interest.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors.

Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Both we and our representatives endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact the judgment of our representatives when making advisory recommendations.

### **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

In addition, you could invest in a mutual fund directly, without our services. In that case, you would not receive the benefit of services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate for your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by you and to evaluate the advisory services being provided.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not receive performance-based fees.

## **Item 7 – Types of Clients**

We generally provide investment advice to:

- Individuals (including high-net worth individuals)
- Pension and profit sharing plans, qualified retirement trusts, 403(b) plans and Section 457 plans
- Trusts, estates or charitable organizations
- Corporations or business entities other than those listed above
- Municipalities

### **Minimum Investment Amounts Required**

There is a \$750 minimum fee for written financial plans, consultations, pension consultations and selection and monitoring services charged as a fixed fee. We do not have a minimum account services our asset management services at Charles Schwab & Company; however, Symmetry Partners as Sub-Advisor has a minimum account size of \$10,000. With respect to IPlan, there is a minimum account size of \$25,000.

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

### **Methods of Analysis**

Our overall investment philosophy is a strategic and passive asset allocation approach. This means our investment strategy aims to balance both risk and reward in your portfolio by apportioning assets according to your goals, risk tolerance and investment horizon. There are three main asset classes (equities, fixed income and cash/cash equivalents) and each one has a different level of risk and return and each one behaves differently over time. To keep your risk and reward balanced and your assets properly apportioned, we periodically rebalance your portfolio in order to maintain your long-term goals. When considering investment strategies and recommendations for you, we use fundamental, technical and cyclical analysis, which are explained in more detail below.

#### **Fundamental**

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

#### **Technical**

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

#### **Cyclical**

Cyclical analysis looks at recurring periods of expansion and contraction that can impact a company's profitability and cash flow. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (i.e., housing, automobiles, telecommunications, paper, etc.). Non-cyclical industries (i.e., food, insurance, drugs, health care, etc.) are not as directly impacted by economic changes.



## **Investment Strategies**

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

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.)
- Option writing (Including covered options, uncovered options or spreading strategies.) (Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.)

We gather information from financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the Securities and Exchange Commission and company press releases.

## **Risk of Loss**

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- **Options Risk.** Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- **Fixed Income Risk.** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk.** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Management Risk.** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price then you are engaging in margin

transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its “house” maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

### **Primarily Recommend One Type of Security**

We do not recommend any specific security to clients. Instead, we recommend any product that may be suitable for each client relative to their specific circumstances and needs

## **Item 9 – Disciplinary Information**

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

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

We do not have a related person that is:

- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- A investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A lawyer or law firm
- A sponsor or syndicator of limited partnerships

We are an independent registered investment registered advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment advisor representatives with us.

### **Broker/Dealer**

Eide Bailly Securities, LLC is a limited use broker/dealer registered with FINRA and SIPC and is under common ownership with Advisor. Some of our representatives and/or management personnel may also be registered representatives with Eide Bailly Securities, LLC in order to provide limited securities services through this entity. No new brokerage accounts are stabled with Eide Bailly Securities, LLC.

## **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of United Planners, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of United Planners.

As a result of this relationship, United Planners may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of Eide Bailly Advisors, LLC, even if a client does not establish any account through United Planners. If you would like a copy of the privacy policy of United Planners, please contact your investment adviser representative.

When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products including but not limited to stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use United Planners and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use United Planners. Prior to effecting any such transactions, you are required to enter into a new account agreement with United Planners. The commissions charged by United Planners may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

Eide Bailly has received a loan from United Planners Financial Services of America ("United Planners") in order to assist Eide Bailly with transitioning the investment adviser representative of Eide Bailly from their former broker-dealer to United Planners. This loan will be forgiven by United Planners based upon the commission amount and investment advisory fees charged by the investment adviser representatives of Eide Bailly while affiliated with United Planners. However, to the extent Eide Bailly recommends you use United Planners for such services, it is because Eide Bailly believes that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by United Planners.

## **Insurance Sales**

We are under common ownership with Eide Bailly Agency LLC, a licensed insurance agency. In addition, certain of our representatives, principals and associated persons may be licensed with several unaffiliated life, disability and other insurance companies. Our representatives, in their capacities as insurance agents, may recommend insurance products offered by these companies. If you purchase these products through our representatives in their separate capacity as insurance agents, they may receive fees and commissions. Thus, a conflict of interest exists between our interests and your interests. You are under no obligation to purchase products either through Eide Bailly Agency, LLC or through outside insurance companies.

## **Accounting, Pension Consulting and Real Estate Services**

We are a wholly owned subsidiary of Eide Bailly Financial Services, LLC which is owned by EB Financial Services, LLC which, in turn, is owned by Eide Bailly, LLP. Therefore Eide Bailly, LLP is our ultimate parent company. Eide Bailly, LLP is engaged in the practice of public accounting, which is its primary business. However, Eide Bailly, LLP is also a pension consultant and real estate dealer. Our officers and some of our representatives are also partners or employees of Eide Bailly LLP and are engaged in the practice of accounting as Certified Public Accountants. We may refer clients to Eide Bailly LLP for accounting services, pension consulting services and/or real estate brokerage services. In addition, clients of Eide Bailly LLP may be referred to us. Employees of Eide Bailly LLP are not paid a direct fee based on the actual referrals made to us. You are under no obligation to use Eide Bailly LLP for accounting services, pension consulting services or real estate services.

### **Third-Party Money Managers**

As described in **Item 5, Fees and Compensation**, we have formed relationships with independent, third-party money managers.

We may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, we receive a portion of the fee charged by the third party money manager. Therefore, we have a conflict of interest because we only recommend third party money managers that agree to compensate us by paying us a portion of the fees billed to your account managed by the third party money manager.

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

### **Code of Ethics Summary**

According to the Investment Advisers Act of 1940, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. We and our associated persons have a fiduciary duty to all clients. We have established a Code of Ethics that all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with our Code of Ethics. Our fiduciary duty to clients is considered the core underlying principle for our Code of Ethics and represents the expected basis for all associated persons' dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own or our associated persons' investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. We provide full disclosure of all material facts and potential conflicts of interest to clients prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients. This section is only intended to provide current clients and potential clients with a description of our Code of Ethics. If current clients or potential clients wish to review our Code of Ethics in its entirety, a copy can be requested from any of our associated persons and it is provided promptly.

Some of our representatives are also Certified Financial Planners<sup>™</sup> (CFP<sup>®</sup>) and abide by the Code of Ethics and Responsibility Code of the Certified Financial Planner<sup>™</sup> Board of Standards, Inc. The Code of Ethics and Responsibility Code requires CFP<sup>®</sup> designees to not only comply with all applicable laws and regulations but to also act in an ethical and professional responsible manner in all professional services and activities. The principles guiding CFP<sup>®</sup> designees are:

- Integrity
- Objectivity
- Competence (in providing services and maintaining knowledge and skills to do so)
- Fairness (to clients, principals, partners and employers and disclosing any conflicts of interest in providing services)
- Confidentiality (keeping all client information confidential without the specific client consent unless in response to legal process or in defense of charges of wrongdoing or civil dispute)
- Professionalism
- Diligence

You can obtain a copy of the Code of Ethics and Responsibility Code by requesting a copy from us.

### **Participation in Client Transactions and Personal Trading**

We, our representatives and employees may buy or sell securities or have an interest or position in a security for our personal accounts that is recommended to clients. We are and will continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. It is our express policy that no one employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, which is designed to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. An officer or employee will not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her possession of material non-public information. No person associated with us will prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for our self and anyone associated with us with access to advisory recommendations. These holdings are reviewed on a regular basis by one of our officers.
3. All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
4. We require that all officers or employees act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. Any individual not observing any of the above may be subject to termination or other sanctions.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of Eide Bailly Advisors, LLC. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **Brokerage Recommendations**

If we assist you in the implementation of any recommendations, United Planners will be used as the broker/dealer for your account. Our investment adviser representatives are also registered representatives of United Planners, a securities broker-dealer.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Eide Bailly Advisors, LLC may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Eide Bailly Advisors, LLC has decided to require our clients to use broker/dealers and other qualified custodians determined by Eide Bailly Advisors, LLC.

### **Charles Schwab & Co., Inc.**

We also use Schwab as a qualified custodian and, as a result, receive access to its institutional trading and custody services which are typically not available to retail investors. The services from Schwab include brokerage, custody,

research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab. Schwab also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Schwab may make available, arrange and/or pay for these types of services rendered to us by independent third party providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our recommendation and use of Schwab may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. This may create a potential conflict of interest.

### **Best Execution**

While we do not allow directed brokerage, we must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions surrounding the transaction execution is in the best interests of clients. When considering best execution, our associated persons look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the advisor, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered. We perform periodic reviews to determine that the relationship with the qualified custodians are still in the best interests of our clients with accounts managed by us.

### **Soft Dollar**

Investment advisors may direct portfolio brokerage commissions to a particular broker/dealer in return for services and research used in making investment decisions in client accounts. The commissions used to acquire these services and research are known as "soft dollars." Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" that allows an investment advisor to pay more than the lowest available commission for brokerage and research services if it determines in good faith that the commission paid was reasonable in relation to the brokerage and research services provided.



Although we don't allow directed brokerage, we may still receive products and services from United Planners or other program sponsors and product issuers. These products and services may be used for both research and non-research purposes and allows us to supplement, at no cost, our own research and analysis activities. These products and services can include, but are not limited to:

- Reports, publications and data on matters such as the economy, industries, sectors and individual companies or issuers, statistical information, account and law interpretations, political analyses, legal developments affecting portfolio securities, technical market actions, credit analyses, risk management and analyses of corporate responsibility issues
- On-line news services and financial and market database services
- Information management systems integrating quotation and trading, performance management, accounting, recordkeeping and document retrieval and other administrative matters
- Meetings, seminars, workshops and conferences with representatives of issuers, program sponsors and/or other analysts and specialists

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. We do not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists us in fulfilling our overall duty to clients.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with "hard dollars" if we were unable to obtain the research and services in exchange for commissions in connection with client transactions. Client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available.

### **Handling of Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and we absorb any loss resulting from the trade error if we caused the error. If the error is caused by the broker/dealer, the broker/dealer is responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. We may also confer with clients to determine if they should forego the gain (e.g., due to tax reasons). We never benefit or profit from trade errors.

### **Block Trades**

Advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading, or block trading and is used by our firm when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

We use the average price allocation method for transaction allocation. Under this procedure we will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which we or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. Neither we nor our associated persons receive any additional compensation as a

result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

All financial planning services terminate upon presentation of the plan or completion of the services and no reviews are conducted. However, we recommend that you have your financial situation reviewed and updated at least annually. If you elect this review and update, a new client agreement is required and additional fees are charged.

Managed accounts are reviewed at least quarterly. Accounts at third party money managers are also reviewed at least quarterly, usually when copies of statements are received.

The calendar is the main triggering factor, although reviews may also be conducted due to your request, due to a change in your circumstances or due to unusual market, economic or political activity. Our representatives conducted reviews on their own accounts. Absent your specific instructions, we review accounts to verify they are performing in accordance with your stated investment objective and strategy. We also review accounts to verify portfolio holdings, appropriate asset allocation, possible re-balancing needs, anti-money laundering concerns, fee calculation accuracy and continued suitability. To assist in these reviews, our representatives periodically request and review updates to your investment information.

### **Account Reports**

Financial planning clients do not receive any reports other than the written plan originally contracted for. You receive a statement at least quarterly from the broker/dealer, investment advisor or money manager where your account is maintained. Additionally, we provide a report at least annually that may include any of the following: a complete listing of securities held, an asset allocation report, an activity report, cost information, a gains and losses report and an internal rate of return report.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

### **Client Referrals**

Please see **Item 10, Other Financial Industry Activities and Affiliations**, for additional discussion about our affiliation with the accounting firm of Eide Bailly, LLP. Some of our representatives and officers are also partners of Eide Bailly, LLP and engaged in the practice of accounting as certified public accountants. Clients of Eide Bailly, LLP may be referred to us for advisory services and we may refer advisory clients to Eide Bailly, LLP for accounting services. You are under no obligation to use our services or the services of Eide Bailly, LLP. While employees of Eide Bailly, LLP are not paid a direct fee based on the actual referrals made to us, Eide Bailly, LLP does benefit by the referral arrangement because we are indirectly owned by Eide Bailly, LLP. Because of this indirect ownership, both Eide Bailly, LLP and we have an incentive to recommend each other to clients before recommending other accounting and financial firms. This creates a conflict of interest.

Please see **Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices**, for additional discussion about solicitor/referral fees from third party managers, other compensation and non-economic benefits.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does not include the ability to execute transactions in client accounts.

Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to



access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the Investment Advisers Act of 1940 and must ensure proper procedures are implemented. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. We are deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. Our procedures do not result in our maintaining custody of client funds and securities.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

In addition to having trading authority on your accounts, we may implement trades in some of our advisory programs on a discretionary basis. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

If the client elects to use the Sub-Adviser to manage client's account, client will grant the Sub-Adviser with the discretionary authority (in the sole discretion of the Sub-Adviser without first consulting with Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the Account managed by the Sub-Adviser. Client will also grant the Sub-Adviser with the power and authority to carry out these decisions by giving instructions, on behalf of client, to brokers and dealers and the qualified custodian(s) of the account.

## **Item 17 – Voting Client Securities**

We do not vote proxies on your behalf. You should read through the information provided with the proxy- voting document and make a determination based on the information provided. Upon your request, our representatives may give limited recommendations or clarifications based on their understanding of issues presented in the proxy voting materials. However, you are solely responsible for proxy voting decisions.

If you utilize sub-advisors, you may receive proxy voting services from the sub-advisors selected to manage your account. You should consult the sub-advisors' disclosure documents for more information on their proxy voting services.

## **Item 18 – Financial Information**

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

## **Privacy Policy**

We are committed to maintaining the confidentiality, integrity and security of personal information entrusted to us by our clients. The following information summarizes our policy for protecting the confidentiality of information entrusted to us by clients.

We collect non-public personal information about clients for the purpose of offering or furnishing products and services. The type of information we may collect includes:

- Information received on applications or other forms, such as name, address, social security number, assets and income.
- Information about investment history including transactions with us and affiliated companies.
- Information we are authorized to obtain from others, such as consumer credit and medical information.

We may share personal information about clients with firms that assist us in servicing client accounts and processing transactions requested by clients. We may share personal information about clients with our affiliates to offer or provide further products and services to clients. We do not disclose any non-public personal information about its customers or former customers to anyone, except as permitted by law.

We are committed to maintaining the confidentiality, integrity and security of our clients' personal information. To meet that commitment, we maintain policies, procedures and safeguards to protect the information collected and limit how that information is shared in accordance with the policies described above. Due to the fact that we already limit the sharing of non-public personal information as outlined above, no action is necessary on the part of a client to limit such sharing.

Our privacy policy and practices will not change without written notice to clients.

4823-4951-5054, v. 6-4951-5054, v. 4-5684-3284, v. 18