

## Item 1 – Cover Page

# Stratford Consulting, LLC

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This brochure provides information about the qualifications and business practices of Stratford Consulting, LLC ("Stratford Consulting"). If you have any questions about the contents of this brochure, please contact us at (972)960-3780 or by e-mail at [Asia.Maston@StratfordLLC.com](mailto:Asia.Maston@StratfordLLC.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Stratford Consulting (IARD# 144009) is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Stratford Consulting is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

3/15/2017

## Item 2 – Material Changes

The purpose of this page is to inform you of any material changes since the last annual update to this brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Stratford Consulting reviews and updates our brochure at least annually to make sure that it remains current. We made the following material changes since our last update.

We will provide you with a new brochure based on material changes at any time, without charge.

Currently, our brochure may be requested by contacting Asia Maston, Director of Client Relations, at (972)960-3780 or [Asia.Maston@StratfordLLC.com](mailto:Asia.Maston@StratfordLLC.com).

Additional information about Stratford Consulting is also available via the SEC's web site, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Stratford Consulting who are registered, or are required to be registered, as investment adviser representatives of Stratford Consulting.

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## **Item 4 – Advisory Business**

### **Firm Description**

Stratford Consulting provides financial planning and investment advisory services. The firm was founded in 2007. J. Michael Hemp and Susan G. Schildt are each 50% stockholders and are the Managing Principals ("Principals") of the firm.

This narrative brochure provides clients with information regarding Stratford Consulting and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of Stratford Consulting.

Prior to engaging Stratford Consulting to provide services, clients are required to enter into an agreement with Stratford Consulting setting the terms and conditions of the engagement (including termination) and describing the scope of the services to be provided. While clients are free to accept or reject financial planning advice from Stratford Consulting, Portfolio Management services are generally only offered on a discretionary basis. It remains the client's responsibility to promptly notify Stratford Consulting if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising Stratford Consulting's previous recommendations and/or services.

### **Types of Advisory Services Offered**

#### Financial Planning Services

Stratford Consulting's financial planning service includes taking clients through a wealth management program which results in the delivery of a financial plan. This process involves:

- Discovery of the current situation – Both quantitative and qualitative information is collected, which may include but is not limited to: goals and objectives, family tree, risk tolerance, assets and liabilities, investment statements, income and expenses, tax returns, insurance coverage, estate planning documents, trusts, premarital agreements, and business succession documents.
- Diagnosis of the present condition – Analysis may include, but is not limited to: financial independence modeling, education modeling, a review of

investment accounts and current asset allocation, a review of insurance needs and existing insurance policies and a review of estate documents.

- Design of strategic alternatives – Stratford Consulting will develop observations and recommendations, where applicable, in the areas of Accumulation and Independence Planning, Protection Planning and Distribution Planning. These may include but are not limited to recommendations for repositioning of investment assets, retitling, changes to insurance coverage, and suggested modifications to estate documents.
- Delivery of the financial plan – Stratford Consulting delivers to clients a financial plan which summarizes the information collected, analysis, and recommendations.

While specific recommendations are provided as part of the financial plan, implementation of the plan is at the discretion of the client.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client to Stratford Consulting. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. Stratford Consulting cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, the client must notify Stratford Consulting promptly.

#### Portfolio Management Services

Most clients choose to have Stratford Consulting manage their assets in order to obtain ongoing monitoring and in-depth advice. Stratford Consulting provides investment supervisory services for assets for which it places trades for clients under a limited power of attorney. While Stratford consulting provides specific investment advice for these assets, it does not act as a direct custodian - clients always maintain asset control. Stratford Consulting also offers investment advice on investments not directly supervised.

Supervised assets are invested primarily in exchange traded funds and no-load or load waived mutual funds. Investments may also include corporate debt securities,

commercial paper, certificates of deposit, municipal securities, U.S. government securities and stocks.

### Tailored Relationships

Stratford Consulting tailors services to each client's objectives and individual situation based upon information collected from interviews, document reviews and assessments such as risk tolerance questionnaires. Stratford Consulting's client relationship management system documents this information.

Clients may impose restrictions on investing in certain securities or types of securities.

### **Client Obligations**

In performing its services, Stratford Consulting is not required to verify any information received from the client or from the client's other professionals. Moreover, each client is advised that it remains his or her responsibility to promptly notify Stratford Consulting if there is ever any change in the client's financial situation or investment objectives during the client engagement.

### **Disclosure Statement**

A copy of Stratford Consulting's written brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or at the same time as, the execution of the Investment Advisory Agreement.

### **Non-Participation in Wrap Fee Programs**

Stratford Consulting, as a matter of policy and practice, does not sponsor any wrap fee program. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment supervisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions.

### **Charitable Donations**

Periodically upon request, Stratford Consulting may make donations to charities to which our clients also contribute. Typically our contribution is no more than \$100.00.

**Client Assets Managed**

As of December 31, 2016, Stratford Consulting managed \$446,988,723.00 in assets; \$446,932,760.00 is managed on a discretionary basis and \$55,963.00 is managed on a non-discretionary basis.

**Item 5 – Fees and Compensation****Description**

Stratford Consulting bases its compensation on fixed fees, fees based upon a percentage of assets under management or, in cases of servicing insurance contracts only, commissions. Fees are negotiable and Stratford Consulting may, in its sole discretion, adjust fees based upon certain criteria (complexity of work, servicing requirements, anticipated future additional assets, account composition, etc.).

**Fee Billing**Financial Planning Services Fees

The fee for a financial plan is determined based upon the facts known at the start of an engagement. Stratford Consulting's fee range for financial plans is \$1,500 to \$10,000 and the fee is due by the delivery of the plan.

Investment Advisory Services Fees

Stratford Consulting's annual investment advisory service fee is based upon a percentage of the value of investable assets when the relationship is established, according to the schedule outlined below. Household accounts are aggregated for the purpose of the fee calculation.

- 1.25% when assets total less than \$1,500,000
- 1.00% when assets total \$1,500,001 to \$5,000,000
- 0.90% when assets total \$5,000,001 to \$10,000,000
- 0.85% when assets total \$10,000,001 to \$15,000,000
- 0.80% when assets total \$15,000,001 to \$25,000,000



- 0.75% when assets total \$25,000,001 to \$40,000,000
- 0.60% when assets total \$40,000,001 to \$60,000,000
- 0.50% when assets total \$60,000,001 to \$80,000,000
- 0.35% when assets total \$80,000,001 to \$100,000,000
- 0.25% when assets total \$100,000,001 or more

Stratford Consulting may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where the Stratford Consulting deems it appropriate under the circumstances.

A client's written investment advisory agreement with Stratford Consulting establishes the process for charging investment advisory fees. Stratford Consulting generally bills investment advisory fees on a quarterly basis, in advance. Clients elect to either authorize Stratford Consulting to debit fees from their accounts or be billed directly. Management fees are prorated for each capital contribution of \$100,000 or more in any account. Fee credits are issued to for any partial withdrawal of \$100,000 or more from any one account in a single day. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. A client may terminate an investment advisory agreement at any time and upon termination any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

#### Other Fees and Compensation

Stratford Consulting's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses incurred by clients. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange-traded funds and mutual funds also charge internal management fees, which are disclosed in fund prospectuses.

Such charges, fees and commissions are exclusive of and in addition to Stratford Consulting's fee, and Stratford Consulting shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Stratford Consulting considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

As described in Item 10, Stratford Consulting's Managing Principal, Susan Schildt, is licensed to represent clients for insurance purchases. While most client engagements do not involve the sale of insurance, when requested life, disability or long term care coverage can be placed by the firm and the principal is compensated through commissions by the companies with which the insurance is placed.

The vast majority of clients pay Stratford Consulting's fees based upon a percentage of the assets advised upon. This is a very common form of compensation for registered investment supervisory firms.

Asset-advised-upon percentage method of compensation can still at times lead to conflicts of interest between our firm and our client as to the advice we provide. For example, conflicts of interest may arise relating to the following financial decisions in life: incur or pay down debt; gift funds to charities or to individuals; purchases of a (larger) home or cars or other non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in non-managed cash reserve accounts. Stratford Consulting's goal is that the firm's advice to the client remains at all times in the client's best interest, disregarding any impact of the decision upon Stratford Consulting.

Stratford Consulting believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. A client could invest in mutual funds directly, without the services of Stratford Consulting. In that case, the client would not receive the services provided by Stratford Consulting which are designed to, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives, undertake a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and avoid ad hoc emotional reactions to shorter-term market events. Also, some of the funds used by the firm may not be available to the client directly without the use of an investment adviser granted access to such funds.

Stratford Consulting's relationship with each client is non-exclusive; in other words, Stratford Consulting provides investment supervisory services and financial planning services to multiple clients. Stratford Consulting seeks to avoid situations in which one client's interest may conflict with the interest of another of its clients.

## **Termination**

The client may terminate any new agreement without penalty by providing written notice of such cancellation to Stratford Consulting within five (5) business days of the date of signing the agreement. Thereafter, either party may terminate the agreement without penalty upon notice in writing to the other party. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, with the refund calculations based pro rata to the date of termination. Upon the termination of the agreement, Stratford Consulting will not possess any obligation to recommend or take any action with regard to the securities, cash, or other investments in a client's account.

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

Stratford Consulting does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) due to the potential for conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Item 7 – Types of Clients**

Stratford Consulting generally provides financial planning and investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations, businesses, trusts and estates.

Client relationships vary in scope and length of service. Stratford Consulting requires a \$1 million account minimum for investment management services. Stratford Consulting, in its sole discretion, may charge a lesser management fee, or choose to reduce or waive the minimum account size, based upon certain criteria (i.e., pre-existing financial planning client, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.)

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

### **Methods of Analysis**

Security and portfolio analysis methods include assessments of diversification, historical performance versus benchmarks, and tax and expense efficiency. Stratford Consulting may evaluate portfolio efficiency by utilizing firms which provide portfolio optimization modeling.

Stratford Consulting relies upon sources of information such as financial periodicals, industry journals, research materials prepared by others, corporate ratings services, prospectuses, annual reports, filings with the Securities and Exchange Corporation and company press releases. Other sources of information which Stratford Consulting may use include Morningstar Principia information, various internet sources and Fidelity's Wealth Central program.

### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing passively-managed index and exchange traded funds as the core investments for the equity component of the portfolio and exchange-traded funds, mutual funds or individual debt instruments for the fixed income component.

Stratford Consulting bases the investment strategy and target allocation for a specific client on the objectives stated by the client during consultations. Clients may change these objectives at any time. Each client is asked to complete a risk tolerance assessment for use in the development of their strategy.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Stratford Consulting's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Inflationary Risk: When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Stratford Consulting or the integrity of Stratford Consulting's management. Stratford Consulting, its principals and employees have not been involved in any legal or disciplinary events related to past or present clients.

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

Stratford Consulting's typical practice is to work with our clients' existing insurance advisor or refer our client to an insurance professional to purchase insurance products. If an occasion should arise when there is a demonstrated need and the client requests, the firm's licensed principal may provide insurance product advice, sell insurance products and receive commissions from the companies underwriting the policies.

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

### **Code of Ethics and Personal Trading**

Stratford Consulting has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Stratford Consulting's Code has several goals. First, the Code is designed to assist Stratford Consulting in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Stratford Consulting owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Stratford Consulting (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Stratford Consulting's associated persons. Under the Code's Professional Standards, Stratford Consulting expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Stratford Consulting's associated persons are not to take inappropriate advantage of their positions in relation to Stratford Consulting clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Stratford Consulting's associated persons may invest in the same securities recommended to clients. Under its Code, Stratford Consulting has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and

prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

## **Participation or Interest in Client Transactions**

As outlined above, Stratford Consulting has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Stratford Consulting's goal is to place client interests first.

Consistent with the foregoing, Stratford Consulting maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an associated person of Stratford Consulting wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Stratford Consulting's written policy.

## **Item 12 – Brokerage Practices**

### **Selecting Brokerage Firms**

Stratford Consulting recommends custodians based upon the proven integrity and financial responsibility of the firm, its disaster recovery capabilities and the best execution of orders at reasonable costs. Stratford Consulting typically recommends Fidelity Brokerage Services LLC ("Fidelity") or Charles Schwab & Co., Inc. ("Schwab") as a custodian for client assets. Together Fidelity and Schwab are referred to as "the Custodians". The Custodians assist in the administration of investment advisory fees charged by Stratford Consulting to Stratford Consulting clients. Stratford Consulting does not receive fees or commissions from the Custodians due to this arrangement.



Stratford Consulting performs ongoing assessments of the effectiveness of the Custodians as a custodian for clients' assets. These measures may include visits to the Custodians' facilities, meetings with executives of the Custodians, analysis of the Custodians' charges to clients, and review of industry reports assessing the Custodians' competitiveness in terms of offerings, services and costs.

Stratford Consulting can advise and report on client assets not held at either of the Custodians.

### **Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Stratford Consulting may receive from the Custodians (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Stratford Consulting to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Stratford Consulting may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Stratford Consulting in furtherance of its investment supervisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Stratford Consulting in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Stratford Consulting to manage and further develop its business enterprise.

Stratford Consulting's clients do not pay more for investment transactions effected and/or assets maintained at either of the Custodians as a result of this arrangement. There is no corresponding commitment made by Stratford Consulting to either Custodian or to any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. These services are not soft dollar arrangements, but are part of the institutional platform offered by the Custodians.



Stratford Consulting's Chief Compliance Officer, Asia Maston, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

### **Aggregation of Client Trades**

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

Stratford Consulting's employees are not registered representatives of Fidelity or any other custodian/broker-dealer and do not receive any commissions or fees from recommending these services.

### **Directed Brokerage**

Some clients may instruct Stratford Consulting to use one or more particular brokers for the transactions in their accounts. Clients who may want to direct Stratford Consulting to use a particular broker should understand that this may prevent Stratford Consulting from effectively negotiating brokerage compensation on their behalf. This arrangement may also prevent Stratford Consulting from obtaining the most favorable net price and execution. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that Stratford Consulting would otherwise obtain for its clients. Clients are encouraged to discuss available alternatives with their advisory representative.

## **Item 13 – Review of Accounts**

Stratford Consulting conducts reviews with clients not less frequently than annually or as agreed to by the client and Stratford Consulting. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Clients are advised that they should notify Stratford Consulting promptly of any changes to their financial goals, objectives or financial situation as such changes may require Stratford Consulting to review the client's portfolio and make recommendations for changes.

Reviews are conducted by J. Michael Hemp and Susan Schildt, principals. There are no accounts assigned specifically to Michael Hemp or Susan Schildt. All clients are served by the firm.

Clients are provided with account statements reflecting the transactions occurring in their accounts on at least a quarterly basis by the account custodian. Clients are provided with confirmations for all securities transaction executed in their accounts. Stratford Consulting will provide additional reports to clients as necessary or requested.

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

### **Incoming Referrals**

Stratford Consulting has been fortunate to receive client referrals from current clients, estate planning attorneys, accountants, employees, personal friends and similar sources. Stratford Consulting does not compensate referring parties for referrals.

### **Outgoing Referrals**

Stratford Consulting does not accept referral fees or any form of remuneration from other professionals when a prospective client is referred to them.

As referenced in Item 12 above, Stratford Consulting may receive an indirect economic benefit from Fidelity and/or Schwab. Stratford Consulting, without cost (and/or at a discount), may receive support services and/or products from Fidelity and/or Schwab.

Stratford Consulting may receive client referrals from websites where they may be listed. In no case will the client pay any additional fees to Stratford Consulting for services if the referral comes from any of these listings.

### **Item 15 – Custody**

Fidelity and/or Schwab serve as custodian for nearly all client accounts at Stratford Consulting. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Stratford Consulting of any questions or concerns. Clients are also asked to promptly notify Stratford Consulting if the custodian fails to provide statements on each account held.

From time to time and in accordance with Stratford Consulting's agreement with clients, Stratford Consulting will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

### **Item 16 – Investment Discretion**

Stratford Consulting usually accepts discretionary authority from the client at the outset of an advisory relationship, allowing it to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought and sold.

Stratford Consulting has a few legacy accounts that were originally set up under a *non-discretionary* arrangement. For these accounts, the client has executed an LPOA, which allows Stratford Consulting to carry out approved actions in the portfolio. However, in accordance with the investment advisory agreement between Stratford Consulting and the client, Stratford Consulting does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Stratford Consulting's agreement with the client and the requirements of the client's custodian.

In all cases, discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

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

As a matter of firm policy and practice, Stratford Consulting does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Stratford Consulting may provide advice to clients regarding the clients' voting of proxies.

Clients will receive their proxies or other solicitations directly from their account custodian.

### **Item 18 – Financial Information**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about Stratford Consulting's financial condition. Stratford Consulting does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance. Stratford Consulting has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.