



## **Encompass More, LLC**

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### **FORM ADV PART 2A – DISCLOSURE BROCHURE**

**September 21, 2018**

This brochure provides information about the qualifications and business practices of Encompass More, LLC. If you have any questions about the contents of this brochure, please contact us at 800-474-1440 or [info@encompassmore.com](mailto:info@encompassmore.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. The description of Encompass More, LLC in this brochure as an investment adviser does not imply a certain level of skill or training.

Additional information about Encompass More, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 288260. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communication of an adviser provides information about which a prospective client might determine to hire or retain an adviser.

## **Item 2        Material Changes**

Encompass More LLC (“Encompass” or the “Firm”) has applied for registration as an investment adviser with the California Department of Business Oversight. Until registration is approved, the Firm and its registered investment adviser representatives (the “IAR”) are registered with and servicing clients through Verity Asset Management LLC doing business as *Encompass More*. The Firm’s Owners identified under Item 4 will be dually registered between Encompass and Verity Asset Management until such time as the Firm is eligible to provide services as a registered investment adviser.

Encompass has no clients and no assets under management as of August 10, 2018. Upon approval, the Firm will withdraw its registration from the United States Securities and Exchange Commission (“SEC”).

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## **Item 4      Advisory Business**

Encompass is seeking registration as an investment adviser registered with the California Department of Business Oversight in 2018. The Firm's principal place of business is 213 Sierra Avenue, Oakdale, California 95361. The Firm was founded in 2017 with the intent of serving those who serve others – educators, police officers, firefighters, state and municipal employees – by offering financial planning and investment advisory services.

Encompass has entered into a Third-Party Asset Management Agreement with Verity Asset Management Inc. ("Verity"), a SEC registered investment adviser, who will provide a turn-key asset management platform designed to provide portfolio management, consulting services and administrative support relating to the operational practices of the Firm (the "Verity Platform"). Under the terms of the agreement with Verity, the Firm will compensate Verity for these services based upon the total assets managed on the Verity Platform.

The Firm's owners and members are:

Erik Neville, Chief Business Officer, 40% Ownership  
Brock McKinley, Chief Executive Officer & Chief Compliance Officer, 22.5% Ownership  
Daniel Krause, Chief Operating Officer, 22.5% Ownership  
Gregory Komsky, Chief Distribution Officer, 15% Ownership

### **Investment Advisory Services**

Encompass offers professional investment advisory services including financial planning, pension and retirement plan analysis, selection of third-party money managers, and financial education to individual clients. As a registered investment adviser and, as a fiduciary to its advisory clients, Encompass has a duty of loyalty and a duty to always act in utmost good faith, place its clients' interests first and foremost and to make full and fair disclosure of all material facts and information as to any potential and/or actual conflicts of interest.

An investment adviser representative ("IAR") of the Firm will assess the financial needs of each individual client through the completion of a guided data gathering process which provides the groundwork for a goals-based financial plan. The information collected in that process is used to create a custom plan and asset allocation that takes into account various aspects of a client's personal circumstances and life goals, particularly the client's priorities among goals, age, time horizon, investment goals and objectives, financial circumstances, investment experience, investment limitations, trading restrictions and risk tolerance. Based upon the result, the IAR will make an appropriate asset allocation recommendation.

Asset allocation is an investment strategy that seeks to balance risk and reward by diversifying a portfolio across multiple asset classes, such as stocks, bonds, and cash. Tactical asset allocation is an active management strategy that seeks to improve the risk-adjusted returns by modifying the asset allocation mix to take advantage of market pricing anomalies and/or market trends. Anomalies could include overpriced or underpriced markets or market sectors. Tactical allocation focuses on general movements in complete markets or sectors rather than on performance of individual securities.

### **Portfolio Management/Selection of Third-Party Money Managers**

Upon determining the appropriate asset allocation, the IAR will carefully review and determine an appropriate investment strategy for the client's assets. The investment strategies are accessed through one of the Verity Platforms described below.

The Verity Multi-Manager Exchange (EMX) is a unified managed account platform that allows our advisers to select and blend different investment strategies from different investment managers seamlessly within a single client account. Client assets will be invested in a range of carefully selected investment strategies, referred to as model portfolios ("Model

Portfolios”). A client’s Account can be invested in one or multiple Model Portfolios as determined by you and your Advisor. Each Model Portfolio is designed to meet specified investment objectives and is managed by an investment manager. The investment manager exercises discretion in selecting the investments held in each Model Portfolio, which means the investment manager has authorization to execute transactions on behalf of the client without obtaining specific client consent prior to every transaction. This will include the authority to direct, on a discretionary basis, purchases, sales and exchanges and the authority to change investment allocations within client Accounts in order to implement the Model Portfolio’s strategy.

The Verity Retirement Account Services Platform (RAS) is a managed account platform that is designed to deliver actively managed account services within a client’s retirement accounts held at various retirement plan providers and custodians. Frequently, these retirement accounts are associated with a retirement plan sponsored by an employer, such as a 403(b), 457(b), 401(k), 401(a) or other similar tax deferred account. When a retirement account is associated with an employer plan, it is frequently referred to as a workplace retirement account (“Workplace”). Model Portfolios for Workplace retirement accounts are developed and managed within the investment options made available to the client within their particular retirement plan.

Management of the Workplace retirement account is based on a client’s recommended asset allocation. However, the security selection for the RAS platform is limited to the mutual funds (and, in some cases, variable annuity subaccounts) available within each retirement plan. As a result, the strategies are modified as may be appropriate based upon the specific fund options of each plan. Some retirement plans offer Self-Directed Brokerage Account (SDBA) options which provide access to a larger variety of mutual funds or other securities.

Client accounts holding less than \$20,000 on the RAS Platforms may be managed according to a recommended Model Portfolio but with fewer positions. Verity will exercise discretion in transitioning an account to the standard version of the designated model as an account passes the \$20,000 threshold.

### **General Information**

In limited instances, a client may request that some, or all, of the account assets be held outside of the Model Portfolio. In most cases, this will be a temporary circumstance to facilitate new clients in transferring assets between custodians as part of an in-kind transfer process. In all such cases, Encompass provides continuous advice to the client regarding the investment of client funds based on the individual needs of the client. Encompass provides on-going account management on a discretionary basis, guided by the client's stated objectives (i.e., aggressive, moderately aggressive, moderate, etc.), tax considerations, and other material information. The firm does not participate in any wrap fee programs as a sponsor or portfolio manager.

Encompass investment recommendations are not limited to any specific product or service, including those offered by a broker-dealer or insurance company, and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund and exchange traded fund (ETF) shares
- United States governmental securities

Because some types of investments involve higher degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability

### **Model Suitability**

Through personal discussions with each client, Encompass will evaluate each client's risk tolerance, personal and financial status, and account objectives, among other factors, and will provide recommendations to the client concerning which Model Portfolio or Portfolios are thought to be suitable to the investor's individual circumstance. Investors may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Once accepted by the client, Encompass will direct Verity to initiate the management of the client's assets in the selected Model Portfolio(s). Each Model Portfolio is managed based on the portfolio objective of the Model, rather than on each client's individual objectives.

To ensure continued suitability of the Model Portfolio selection(s) for each client's account(s), Encompass will seek to maintain regular communication with each client, no less than annually, consistent with the nature of the account and the client's desired frequency of communication. One objective of this periodic communication will be to stay informed of any change in financial circumstances or investment objectives that might warrant a change in model selection, and to determine whether the client wants to make or modify any reasonable restrictions on the management of the account.

### **Assets Under Management**

As of August 10, 2018, Encompass has no assets under management.

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## Item 5 Fees and Compensation

Client fees will include the investment advisory fees payable to Encompass (the “Advisory Fee”) and portfolio management fees payable to Verity (the “Management Fee”). Advisory Fees and Management Fees are calculated as a percentage of client account assets, as described in the fee schedules shown below. The investment advisory fees, investment management fees and/or custodian fees described below are set forth in the Encompass investment advisory agreement that is signed by each client.

### **EMX Platform** (For individual accounts)

Investment Advisory Fee: On the EMX Platform, the Encompass Advisory Fee is assessed and collected quarterly, in arrears, on the first day of the calendar quarter, based upon the average daily balance of each account over the prior quarter. Eligible accounts within the same household can be linked for the purpose of fee calculation and qualification for fee breakpoints. Many factors determine proposed fees rates, including size, complexity and composition of the services to be provided. While fees are negotiable based upon these factors, Encompass’ Advisory Fee structure will not exceed the following:

<u>Household Average Daily Balance</u>	<u>Annual Encompass Advisory Fee (%)</u>
Up to \$49,999	1.75%
\$50,000 up to \$99,999	1.50%
\$100,000 up to \$249,999	1.25%
\$250,000 up to \$499,999	1.25%
\$500,000 up to \$1,000,000	1.00%
\$1,000,000 or more	1.00%

Investment Management Fee: On the EMX Platform, the Verity Management Fee is assessed and collected quarterly, in arrears, on the first day of the calendar quarter, based upon the average daily balance of each account over the prior quarter. It is in addition to and separate from the Advisory Fee paid to Encompass. This Management Fee is for the portfolio development, monitoring and trading services provided by Verity as well as the Custodian Platform Fee which is for fees that are paid to the custodian for administrative account services and reporting as well as other platform administration services. This does not include trade execution costs. Eligible accounts within the same household can be linked for the purpose of fee calculation and qualification for fee breakpoints. Verity’s Management Fees are not negotiable and are determined by the Model Portfolio selected for the clients account. Verity Management Fees are tiered as follows:

<u>Household Average Daily Balance</u>	<u>Annual Verity Management Fee (%)</u>
Up to \$49,999	0.70%
\$50,000 up to \$99,999	0.70%
\$100,000 up to \$249,999	0.70%
\$250,000 up to \$499,999	0.65%
\$500,000 up to \$1,000,000	0.55%
\$1,000,000 or more	0.45%

These fees are flat, based on total household assets under management. All fees charged to a client’s account will be clearly identified in the investment management agreement between Encompass and the client. All fees are deducted directly from each client account on the EMX Platform. By request, a client’s fees can be paid by a designated account on the EMX platform.

Trade execution fees, where applicable, are not included in the above fee schedule. Trade execution fees are typically 0.0095 cents per share, depending on traded volume, for equity and exchange traded funds (“ETFs”). These fees do not apply to mutual fund trades.

**RAS Platform**  
(For Workplace accounts)

**Investment Advisory Fee:** On the RAS Platform, the Encompass Advisory Fees are typically assessed and collected quarterly, in arrears, on the first day of the calendar quarter, based upon the average daily balance of each account over the prior quarter. The final determination is dependent on the retirement plan's recordkeeper and/or administrator technology platforms.

Many factors determine proposed fees rates, including size, complexity and composition of the services to be provided. While fees are negotiable based upon these factors, Encompass' Advisory Fee structure will not exceed the following:

<u>Household Average Daily Balance</u>	<u>Annual Encompass Advisory Fee in Basis Points</u>
\$0 - \$49,999	175 bps
\$50,000 - \$99,999	150 bps
\$100,000 - \$499,999	125 bps
\$500,000 and above	100 bps

**Investment Management Fee:** On the RAS Platform, the Verity Management Fee is separate from the Advisory Fee which is paid to Encompass. This Management Fee is for the portfolio development, monitoring and trading services provided by Verity. This does not include trade execution costs. Eligible accounts within the same household can be linked together for the purposes of overall Management Fee calculation. Management fees are not negotiable.

The annual Investment Management Fee is 50 basis points.

**General Information for Both Platforms**

**Maximum Management Fee:** Clients will not be charged a total management fee in excess of 3% on the assets under management.

**Termination of the Advisory Relationship:** A client will have a period of five (5) business days from the date of signing an investment advisory agreement to unconditionally rescind the agreement and receive a full waiver of all fees. Thereafter, an investment advisory agreement may be canceled at any time, by either party, upon receipt of thirty (30) days written notice. Upon termination of any account, fees will be prorated to the date of termination, and any earned fees, unpaid fees will be due and payable.

**Mutual Fund and Exchange Traded Fund (ETF) Fees:** Client accounts will typically contain mutual funds and/or ETFs, each of which charges certain fees and expenses to their shareholders. All fees paid to the Firm for investment advisory services are separate and distinct from the mutual fund and ETF fees and expenses. These fees and expenses are described in each fund's prospectus and will generally include a management fee, other fund expenses, and, possibly, a distribution fee. While certain mutual funds have no sales charge or "load" which would add to the cost of the investment, all mutual funds and ETFs have internal investment management and other expenses, which impact the overall returns of the investment. If a mutual fund also imposes sales charges or loads, a client may pay an initial or deferred sales charge. A client could invest in a fund directly, without our services. In that case, the client would not receive the services provided by the Firm which are designed, in part, to assist the client in allocating investments in a diversified manner and seeking appropriate points at which to enter and exit various funds. The client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Supervised persons of the firm do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.



**Additional Fees and Expenses:** In addition to the Encompass Advisory Fees, Verity's fees, and any fees associated with mutual funds or ETFs, clients are also responsible for the fees and expenses charged by custodians and any transaction fees imposed by broker dealers. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. Supervised persons of the firm do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

**ERISA Accounts:** Certain services provided by Encompass may cause the Firm to be deemed a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and subject to regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, the Firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

**Advisory Fees in General:** Clients should note that similar advisory services may be available from other registered (or unregistered) investment advisers for similar or lower fees. There is no minimum account size required to establish an account with Encompass.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Encompass does not charge performance-based fees.

## **Item 7      Types of Clients**

The Firm provides advisory services to the following types of clients:

- Individuals (both high net worth and other than high net worth individuals)
- Pension and profit sharing plans
- Corporations or other businesses

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

### **Investment Strategies**

The following strategies are used in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. Encompass has selected Verity as a third-party adviser in part due the investment strategies that they use within the Model Portfolios.

**Asset Allocation.** Asset allocation is an investment strategy that seeks to balance risk and reward by diversifying a portfolio across multiple asset classes, such as stocks, bonds, and cash, rather than focusing primarily on individual security selection. It focuses on general movements in complete markets or market sectors rather than on performance of individual securities.

There can be no assurance that the strategy will not result in greater risk of loss if the assessment of market conditions and choice of securities and/or hedging strategies prove incorrect. Among other risks, the specific market anomalies on

which the strategy is based may change or disappear in the future, and the timing of our adjustments to the portfolio may be inappropriate. In addition, if used alone, securities with direct exposure to commodities, emerging markets, and currencies traditionally have considerably greater risk than average large company U.S. stocks and bonds; by using them as part of a larger asset allocation strategy, the intent is to actually reduce overall portfolio risk, but there is no guarantee that this objective will be achieved in all instances.

**Tactical Asset Allocation.** Tactical asset allocation is an active version of the strategy that seeks to improve risk adjusted returns by modifying the allocation mix to benefit from market pricing anomalies and/or market trends. Although this strategy is used with the intent of managing overall market risk, the risk of loss inherent in securities markets remains. Another risk of tactical asset allocation is that the strategy may underperform if our assessment of market conditions and choice of securities prove incorrect. Among the additional factors, the specific market anomalies on which the strategy is based may change or disappear in the future, or the timing of our adjustments to the portfolio may be inappropriate.

**Value Strategies.** A value strategy will use one or more methods of screening a group of stocks to identify those stocks that may be underpriced relative to other stocks within the same group or classification. The strategy is based on the belief that the prices of the underpriced stocks will ultimately increase relative to other stocks, closing this value gap and causing these stocks to outperform. Risks of this strategy include (1) incorrect price analysis and (2) the potential for selected companies to experience problems in sales, operations, management, or other areas that cause their prices to fall further relative to other stocks.

**Income Strategies.** Income strategies are designed to invest flexibly across a broad range of income-generating securities in an ongoing search for the more favorable opportunities in the current market environment. The primary strategies are generally constructed to invest across two underlying core sub-strategies: (1) traditional income securities, and (2) non-traditional income securities. Each of these sub-strategies is designed to provide unique sources of return and diversification for the portfolio. Risks to individual securities in the portfolios include but are not limited to credit risk, liquidity risk and interest rate risk; in addition, performance may suffer relative to less dynamic income strategies if the analysis of market conditions and/or the timing of allocation changes prove unfavorable.

### **Methods of Analysis and the Associated Risks**

The following methods of analysis are used in connection with the development and management of Model Portfolios. To enhance the asset allocation strategies, these methods are used in setting allocation target percentages and in decisions of which asset classes to own and when to buy or sell.

**Fundamental Analysis.** Verity attempts to understand the intrinsic value of securities by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition of companies themselves) to determine whether companies or markets are underpriced or overpriced. Verity also examines these factors to try to evaluate whether current financial trends, such as profit growth, are sustainable.

Fundamental analysis does not attempt to anticipate market movements. This presents a risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

**Technical Analysis.** Verity analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior that may predict future price movement. One element of technical analysis is charting. In this type of technical analysis, Verity reviews charts of market activity in an attempt to identify important support and resistance levels and to identify major and minor trends. (Levels of support are prices below which a security is less likely to fall; levels of resistance are prices above which a security is less likely to rise.)

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that poorly managed or financially unsound companies may underperform regardless of the analysis.

**Qualitative Analysis.** Verity may subjectively evaluate non-quantifiable factors such as quality of management, potential shifts in demand, strength of research and development, and various other factors not readily subject to measurement, and predict changes to share price based on that analysis. A risk in using qualitative analysis is that this subjective judgment may prove to be incorrect.

**Holding Periods.** In responding to the various methods of analysis and executing our investment strategies, Verity's managers may use a variety of holding periods for the securities making up a Model Portfolio used in a client's account.

**Long-term purchases.** They purchase certain securities with the idea of holding them in the client's account for a year or longer. Typically, they employ this strategy when they believe the securities to be currently undervalued, and/or they believe conditions are favorable for a particular asset class to trend higher in price over time, regardless of the potential shorter-term projections for this class.

One risk in a long-term purchase strategy is that by holding the security for this length of time, they may not take advantage of short-term gains that could be profitable to a client. Another is that, if their expectations prove incorrect, a security may decline sharply in value before they make the decision to sell.

**Short-term purchases.** They purchase certain securities with the idea of selling them within a relatively shorter time (typically less than a year). They do this in an attempt to take advantage of conditions that they believe may result in a shorter-term swing in the price of the securities.

One risk is that the price may weaken sooner than they anticipate, leaving them with a potential loss. In addition, this strategy will result in some increase in transaction costs as well as the less favorable tax treatment of short-term capital gains for securities held in taxable accounts.

**Trading.** In a limited number of Model Portfolios, they may purchase securities with the idea of selling them very quickly (typically within 30 days or less). They do this in an attempt to take advantage brief price swings. Trading presents a much greater timing risk than other strategies; selling at an inopportune time may result in a reduced gain or an increased loss. In addition, this strategy will result in some increase in transaction costs as well as the less favorable tax treatment of short-term capital gains for securities held in taxable accounts.

## RISK OF LOSS

**Risks for all forms of analysis.** These securities analysis methods rely on the assumption that the companies whose securities are purchased and sold, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While an adviser is alert to indications that data may be incorrect, there is always a risk that the analysis may be compromised by inaccurate or misleading information.

Regardless of investment strategy, methods of analysis, or holding periods, securities investments are not guaranteed. You may lose money on your investments. Investing in securities involves risk of loss that clients should be prepared to bear.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Encompass and our management personnel have no disciplinary events to disclose.

## Item 10 Financial Industry Activities and Affiliations

### AFFILIATIONS

Teacher's Pension and Insurance Services – Erik Neville, a member and owner of the Encompass, is also the sole owner of Teacher's Pension and Insurance Services ("Teacher's"). The remaining three members and owners of Encompass are independent contractors and insurance agents with Teacher's. Teacher's is a company that assists educators by helping them select appropriate insurance products within their pension plan or as would be needed to fit their personal and family needs. Advisory clients are under no obligation to use these insurance products. It is anticipated that as additional IARs are engaged by Encompass, they may also be engaged by Teacher's.

Verity Investments Inc. – At this time, Erik Neville, a member and owner of Encompass, is a registered representative with Verity Investments Inc., a registered broker/dealer. Mr. Neville will remain registered with the broker/dealer.

Verity Asset Management LLC – At this time, Brock McKinley, Daniel Krause, and Gregory Komsky are registered investment adviser representatives ("IAR") with Verity Asset Management. All three individuals will be dually registered as an IAR with Encompass and Verity. This may be viewed as a conflict of interest due to an IAR having the ability to recommend a client to one firm over the other due compensation or advisory fees. However, the fees applied, and the services provided at either firm will be carried out in the same manner. The CCO will monitor client accounts to confirm there is no difference in the way accounts at Verity Asset Management or Encompass are charged more or less than the other and the same services are applied.

Verity Asset Management will also serve as a third-party service provider to Encompass. Verity will provide a turn-key asset management platform designed to provide portfolio management, consulting services and administrative support relating to the operational practices of the Firm (the "Verity Platform"). Under the terms of the agreement with Verity, the Firm will compensate Verity for these services based upon the total assets managed on the Verity Platform.

As Encompass utilizes the services of third party money managers and service providers, it is our responsibility to confirm that all parties who are required to be registered as advisers are properly registered prior to engaging them to manage any client account. This registration status of all third-party advisers will be monitored on an annual basis thereafter.

Neither Encompass nor any of its management persons are registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### OTHER FINANCIAL INDUSTRY ACTIVITIES

In addition to their role as investment adviser representatives of Encompass, certain personnel of the Firm are appointed as licensed insurance agents for various insurance companies and/or licensed as registered representatives of unaffiliated registered broker-dealers. In addition to providing investment advice on a fee basis, such persons may recommend and sell insurance products and/or securities products on a commission basis. Clients are under no obligation to purchase any financial product. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation in the form of insurance commissions or securities

product commissions creates a conflict of interest since these individuals have an incentive to recommend products and services provided by insurance companies and/or broker-dealers. This could impair the objectivity of these individuals when making investment advisory recommendations. The Firm endeavors at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser. In addition, Encompass takes the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for investment adviser representatives to earn other compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they are not obligated to purchase products or services we recommend;
- we collect, maintain and document relevant client information, including the client's financial goals, objectives and risk tolerance to properly assess the suitability of various products and services;
- we require that our investment adviser representatives seek prior approval of any outside business activity so that we may ensure that any conflicts of interest related to such activities are properly addressed; and
- we educate our investment adviser representatives regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

The Firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct that we require of our associates, including compliance with applicable federal securities laws. For ease of communications, all persons who are employees, consultants, associated persons or investment adviser representatives of the Firm are referred to as "employees" or associates. Encompass and its personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's associates who have access to investment advisory recommendations ("Access Persons"). Among other things, our Code of Ethics also requires the prior approval of any purchase of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and recordkeeping provisions.

The Firm's Code of Ethics does not permit insider trading. It includes policies and procedures designed to prevent the use of material non-public information. While we do not believe that we have any particular access to non-public information, all associates are reminded that such information may not be used in a personal or professional capacity. In addition, neither Encompass or its associates will recommend to clients, buy or sell for client accounts, any securities in which we or a related person has a material financial interest.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [compliance@encompassmore.com](mailto:compliance@encompassmore.com) or by calling us at 800-474-1400.

## PERSONAL SECURITIES TRANSACTIONS

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients, and implementing such decisions while, at the same time, allowing associates to invest for their own accounts.

Encompass employees may buy or sell for their personal accounts securities that are identical to or different from those recommended to our clients. In addition, any employee may have an interest or position in a certain security(ies) which may also be recommended to a client. As employees will generally invest in accounts that are not managed by the Firm, they may buy or sell securities for their personal accounts based on investment considerations that the Firm may not deem appropriate for clients.

Personal transactions of associated persons are regularly monitored to ensure that client interests are put first in all relevant circumstances. If an employee account, managed or not, is held with one of our custodians, we will aggregate (block trade) our employee's personal trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price, and transaction costs will be shared equally and on a pro-rata basis. In instances in which there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our associates' accounts will be included in the pro-rata allocation. See **Item 12 – Brokerage Practices** for further information.

## CODE OF ETHICS

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing the Firm's Code of Ethics, to ensure the Firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No associate of the Firm may put his or her own interest above the interest of an advisory client.
2. No associate of the Firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her association with the Firm unless the information is also available to the investing public.
3. No person associated with the Firm may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such associates from benefiting from transactions placed on behalf of advisory accounts.
4. We require prior approval for any IPO or private placement investments by associates of the Firm.
5. We maintain a list of all Access Persons.
6. We have established procedures for the maintenance of all required books and records.
7. Employees must act in accordance with all applicable Federal and State regulations governing registered investment advisers.
8. We require delivery and acknowledgment of the Code of Ethics by each supervised person.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## **RETIREMENT ACCOUNT TRANSFERS**

Retirement or other termination of employment, along with certain other circumstances, may provide a retirement plan participant with an opportunity to transfer plan assets to an investment advisory account at Encompass. Whenever Encompass and/or any of our personnel would receive a higher fee or other incentive for recommending such a transfer, this would create a conflict of interest that could impair the objectivity of the Firm and these individuals when making advisory recommendations. The Firm endeavors at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser. In such a situation, we would inform the client of the transfer option only if we believe that the transfer is suitable and, in the client's, best interest. We would disclose to the client the existence of all material conflicts of interest, the difference in fees and expenses between the two investments, and the potential for the Firm and our associates to earn greater compensation as a result of such a transfer. We would disclose to the client that he or she is not obligated to purchase products or services we recommend, and that he or she should consider the costs and benefits before making any decision to implement a transfer.

## **Item 12 Brokerage Practices**

### **Recommended Custodian**

For Encompass' advisory clients, the Firm will recommend a custodian who is a nationally-known, qualified custodian. The Firm will not maintain custody of client accounts. The primary factors that will determine our recommending a custodian to a client are, in no specific order, 1) Commission cost; 2) Automation and technology; 3) Services for independent RIAs; 4) Proper registration with SRO; 5) Execution capabilities, and; 6) Client preferences. We are not affiliated with any custodian who we have recommended.

We will recommend broker-dealers and custodians to clients of the Firm in need of these services. We will normally only recommend those custodians where the Firm has a business relationship that enables efficient and cost-effective access to brokerage services to facilitate the discretionary portfolio management services of the Firm. No client is obligated to use any recommended custodian. In circumstances where a client wants to remain with their current custodian who is not a recommended custodian of Encompass, we will provide advisory services to such a client. There is no advisory fee surcharge for any operational inconvenience to us.

At this time, for Encompass' advisory clients, the recommended custodian will be Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (the "custodian"), a registered broker-dealer, member SIPC, who will maintain custody of clients' assets and effect trades for their accounts.

### **Block Trading**

Client accounts are generally associated with one or more Model Portfolios. Our custodians' proprietary model processing software aggregates individual orders from accounts in the various models into block orders to purchase or sell specific securities. Among other factors, this permits us to execute trades in a timelier, more equitable, and less expensive manner. Each client's personal account records will illustrate the securities held by and bought and sold for, that account. In executing block transactions, no client will be favored over any other client; each client that participates in an aggregated or block order will participate at the average share price for all transactions made to fill the order. Transaction costs will be charged to clients on a pro-rata basis in proportion to each client's participation. The Firm will receive no additional compensation of any kind as a result of aggregation of orders.

If we are buying or selling a given security in accounts at more than one custodian, we will typically aggregate trades only

among those clients whose accounts can be traded at a single custodian. Where applicable, we will rotate or vary the order of custodians through which we place trades on any particular day.

If block orders cannot be completely filled, we may be forced to allocate the partially filled orders among the accounts participating in the order. The methodology to be used, which is implemented by the custodian's software, is based upon the general principle that securities being purchased are allocated based upon the relative size of each account and securities being sold are allocated in proportion to the size of each account's position in that security after first selling all positions for accounts that may be terminating and transferring. Partially filled orders will be allocated pro-rata based upon these principles. We will maintain separate records of all partially filled orders reflecting review by a compliance officer of the securities bought and sold by each account.

Trades for persons associated with the Firm are included in these policies. Thus, in the event of a partially filled order, accounts for associated persons will participate in the pro rata allocation along with all other participating accounts.

### **Step Out Trades/Trading Away**

Trade order management for securities within Model Portfolios has been delegated to Verity. Generally, Verity will not select the broker-dealer to be used in executing transactions placed through the investment advisory platforms of our custodians. However, in certain limited circumstances, Verity may direct the custodian to place transactions through a specific broker or dealer if they have determined that, by doing so, they may obtain for the client a more favorable commission, exchange rate, or trade execution. We do not receive any added value, including research or services, for directing transactions to any broker or dealer.

### **Research and Other Soft Dollar Benefits**

Encompass's advisory business does not have any formal or informal arrangements or commitments to obtain any research or research-related products or services on a soft-dollar basis. However, due to the institutional relationships we have with our recommended custodian, we do receive services that assist us in managing and administering clients' accounts. These services may include software and other technology that (i) provide access to client data; (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its client accounts; and (v) assist Portfolio Operations with back-office functions, recordkeeping and client reporting. Additionally, recommended custodians may provide third-party research, publications, access to educational conferences, roundtables and webinars or practice management resources.

### **Brokerage for Client Referrals**

Encompass does not receive client referrals from its custodians.

### **Client Directed Brokerage**

Encompass does not permit client directed brokerage. All advisory clients should understand that any custodian recommendation made by the Firm is a conflict of interest as we anticipate continual operational relationships with the custodians that we recommend.

### **Other Economic Benefits**



Encompass has entered into a third-party asset management platform (“TAMP”) relationship with Verity that includes the delivery of certain custodial relationships. Platform services include, among others, brokerage, custodial, administrative support, record keeping and related services. These services are intended to support investment advisers like us in conducting business. They are designed to serve the best interests of our clients, but they may also benefit us. To the extent that Encompass is involved in the selection of a suitable custodial platform for a particular client account, Encompass seeks to act exclusively in the client’s best interest with respect to any custodian selection decision.

The custodians each charge brokerage commissions and may charge other transaction fees for effecting certain securities transactions. The commissions and transaction fees charged by each custodian may vary and may also be higher or lower than those charged by other custodians and broker-dealers.

The Firm may also receive additional services from certain of the custodians, which may include portfolio management technology and performance accounting services, among other things. Without these arrangements, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of a custodian’s services. We examined this potential conflict of interest when we chose to enter into each of these relationships and have determined that the relationships are each, in the appropriate situations, in the best interests of our clients and that they satisfy our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the overall services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian or broker-dealer’s services, including the value of execution capability, commission rates, responsiveness, and related services. Accordingly, while we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. We are not affiliated with any of the custodians.

## **Item 13      Review of Accounts**

### **INVESTMENT ADVISORY SERVICES – MODEL PORTFOLIOS**

**Encompass Reviews:** The Firm will provide for a review of new client relationships to ensure that the recommended asset allocation designed using Model Portfolios is suitable and is consistent with the information and documentation received from each client. This review will be completed by the Investment Adviser Representative engaged by the client. Further reviews will be conducted periodically to compare actual investments and Model Portfolios to the overall Investment Plan, reviews of trade prices, fee calculations, investment restrictions, performance and other criteria will also be conducted periodically by the Chief Compliance Officer. Electronic systems at the custodian or third-party software provider will be utilized to identify any accounts within a Model Portfolio that have become imbalanced beyond defined parameters.

Investment advisory representatives of the Firm seek to conduct account reviews with clients on a periodic basis, with a goal of communication no less than annually either in person, by phone, or by mail to monitor their personal, tax, and financial status along with any other circumstances that may warrant a change in investment objectives. The Chief Compliance Officer is responsible for the supervision of the review process. More frequent reviews may be triggered by material changes in variables such as a client’s individual circumstances or objectives.

**Verity Reviews:** The Firm places accounts into one or more Model Portfolios except in limited cases where clients elect to hold assets in a non-modeled status. Model Portfolios are designed and managed by Verity pursuant to the terms and conditions of a Third-Party Asset Management Services Agreement (the “Asset Management Services Agreement”). The

Model Portfolios are managed by Verity to conform to defined investment objectives. Model Portfolios are monitored regularly by appropriate Verity personnel for consistency with their investment objectives, and trades for each day are reviewed using a Daily Trade Blotter. Electronic systems at the custodian or third-party software provider identify any accounts within a Model Portfolio that have become imbalanced beyond defined parameters. Trades may be processed at the discretion of Verity to bring those accounts back into appropriate balance. Using these systems, there is currently no practical limit on the number of modeled accounts that may be reviewed. Distributions and terminations are monitored for unusual account activity. All of the above systems are overseen by Verity pursuant to the Asset Management Services Agreement.

**Reports:** Account statements are generated at least quarterly by the account custodian, and quarterly when there is account activity. The statements are sent directly to clients by the account custodians. These statements list the account positions, activity in the account during the prior period, and other related information. Additionally, clients are able to access their account activity at all times via the respective custodian's website.

#### **INVESTMENT ADVISORY SERVICES: INDIVIDUAL PORTFOLIO MANAGEMENT**

**Reviews:** Accounts that are managed on a non-modeled basis are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines by the investment adviser representative engaged by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or objectives. We will review trading as it occurs against the investment objectives and risk tolerance of the client or portfolio drift. As necessary, we will rebalance the client portfolio. These accounts are reviewed by each investment adviser representative that is assigned to an account.

**Reports:** Account statements are generated at least quarterly by the account custodian, and monthly when there is account activity. The statements are sent directly to clients by the account custodians. These statements list the account positions, activity in the account during the prior period, and other related information. Clients are able to access their account activity at all times via the custodian's website.

#### **INVESTMENT ADVISORY SERVICES: RETIREMENT PLAN SPONSORS**

**Reviews:** The Firm will review each plan sponsor's Investment Policy Statement ("IPS") whenever the plan sponsor advises us of a change in circumstances. We will review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly. These accounts are reviewed by each investment adviser representative that is assigned to a plan sponsor account.

**Reports:** The Firm will provide reports to retirement plan sponsor clients based on the terms set forth in the client's IPS.

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

As a matter of policy and practice, Encompass does not compensate any third-party persons, either individuals or entities, for the referral of advisory clients to the firm.

### **Item 15      Custody**

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, the Firm may directly debit advisory fees from client accounts. As part of this billing process, the client's custodian is advised, where applicable, of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send directly to the client an account statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Under provision California Code of Regulation, Section 260.237(b)(3), an investment adviser is required to attest to the following safeguards due to its ability to withdraw its fee from a client's account:

A. Encompass has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

B. Encompass will have written authorization from the client to deduct advisory fees from the account held with the qualified custodian.

C. Each time a fee is directly deducted from a client account, Encompass will, concurrently:

i. Send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and,

ii. Send the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

D. Encompass will notify the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.

## **Item 16 Investment Discretion**

As a provider of discretionary asset management services, each selected investment manager may place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Discretionary authority includes the ability to determine the security to buy or sell and determine the amount of the security to buy or sell.

Clients consent to this discretionary authority when they sign a discretionary investment advisory agreement with the Firm, providing us with limited power of attorney, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. If a client has determined they prefer a non-discretionary account, Encompass will secure the client's permission prior to effecting securities transactions in client accounts that are managed on a non-discretionary basis pursuant to California Code of Regulation, Section 260.237.2(f)(1)

## **Item 17 Voting Client Securities**

As a matter of Firm policy, we do not vote proxies on behalf of clients. Therefore, although the Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other corporate actions and events pertaining to the client's investment assets. Clients are responsible for instructing each custodian to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance to clients regarding proxy issues.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an investment adviser that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. The Firm has no additional financial circumstances to report. The Firm has never been the subject of a bankruptcy petition.

## **Item 19 Requirements for State-Registered Advisers**

- A. The principal executive officers and management persons Encompass are:

Erik Neville, Chief Business Officer, 40% Ownership

Brock McKinley, Chief Executive Officer & Chief Compliance Officer, 22.5% Ownership

Daniel Krause, Chief Operating Officer, 22.50% Ownership

Gregory Komsky, Chief Distribution Officer, 15% Ownership

A description of the formal education and business background of the firm's principal executives listed above has been provided in the Form ADV Part 2B.

- B. The management persons and investment adviser representatives of Encompass are also licensed insurance agents for various insurance companies and broker/dealers. They will spend approximately 25% of their time on insurance related activities. Further information about these activities is provided under Item 14 of this brochure.
- C. Encompass does not charge performance fees for its services.
- D. Neither Encompass, its management persons nor its investment adviser representatives have been involved in any reportable disciplinary event.
- E. Neither Encompass, its management persons nor its investment adviser representatives have a relationship or arrangement with any issuer of securities other than those described in Item 10.

## **Privacy Policy Notice**

Protecting your privacy is important to Encompass More, LLC. We want you to understand what information we may gather and how we may share it. This Privacy Policy applies to FIRM's collection, use, retention and security of the nonpublic personal information about our clients who are consumers holding accounts with us for their personal, family or household purposes. This policy is provided to you as required by applicable financial privacy laws.

### **How We Share Information**

As an Investment Advisor, we may share information about you with your custodian or other vendors as necessary to manage the assets in your account(s), as you have authorized through the investment management agreement. Encompass may also share information with regulators, auditors or other vendors in their capacity as outlined in our agreements or as required by law. We may provide nonpublic information without your permission to third parties:

- to respond to a subpoena or court order, judicial process or regulatory authorities;
- to consumer reporting agencies, in accordance with the Fair Credit Reporting Act;
- in connection with a proposed or actual sale, merger, or transfer of all or a portion of a business or an operating unit;
- to protect against fraud.

Encompass will not share your public or private information with any third party (including our affiliates) other than to conduct your business, as required by law, or as you instructed or requested us to do (such as your request to share information with your accountant, etc.).

### **How We Gather Information**

As part of providing you with financial products or services, we may obtain information about you from the following sources:

- From applications, forms, and other information that you provide to us, whether in writing, in person, by telephone, electronically or by any other means. This information may include your name, address, employment information, income, and credit references;
- Through your transactions with us,
- From consumer reporting agencies. This information may include account information and information about your creditworthiness;
- Information from outside sources regarding your employment, credit and other relationships;
- General information from other outside sources, such as data from public records, that is not assembled or used for the purpose of determining your eligibility for our products or services;
- As required by the USA PATRIOT Act, we also collect information and take actions necessary to verify your identification;
- If our customers visit an Encompass internet website, we may occasionally use a "cookie" in order to provide better service, to facilitate our customers' use of the website, to track usage of the website, for certain administrative purposes, and to address security hazards. A cookie is a small piece of information that a website stores on a personal computer and which it can later retrieve.

Even if you are no longer a customer of Encompass, our Privacy Policy will continue to apply to you.

### **Our Security Practices and Information Accuracy**

We also take steps to safeguard customer information. We restrict access to the personal and account information of our customers to those employees who need to know that information in the course of their job responsibilities. Our employees are bound by a code of ethics and legal and other requirements that require confidential treatment of customer information and are subject to disciplinary action if they fail to follow these requirements. We maintain physical, electronic, and procedural safeguards that comply with federal standards to protect customer information. We have taken reasonable measures to ensure that discarded documentation containing nonpublic information is properly destroyed and any discarded information contained in an electronic medium will be properly erased. These measures will safeguard against any information being read or reconstructed. If the confidentiality and security of your customer information is breached, we will notify you promptly, consistent with applicable law.

We also have internal controls to keep customer information as accurate and complete as we can. If you believe that any information about you is inaccurate, please let us know.

### **Questions?**

If you have questions about this policy, or any other issue, please contact us via email at [compliance@encompassmore.com](mailto:compliance@encompassmore.com) or via telephone at 800.474.1440.