

# **FamilyWealth™**

## **Advisers**

**4600 S. Syracuse Street, 9th Floor  
Denver, CO 80237**

**303-256-6494  
January 1, 2019**

This Brochure provides information about the qualifications and business practices of FamilyWealth™ Advisers, LLC. If you have any questions about the contents of this Brochure, please contact us at (303) 256-6494 or via email at [info@advisersource.com](mailto:info@advisersource.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

FamilyWealth Advisers, LLC ("FamilyWealth™ Advisers") 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 that you may use to determine whether to hire or retain them.

Additional information about FamilyWealth™ Advisers is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for FamilyWealth™ Advisers is 289193. The SEC's web site also provides information about any persons affiliated with FamilyWealth™ Advisers who are registered, or are required to be registered, as Investment Adviser Representatives of FamilyWealth™ Advisers.

## Item 2 – Material Changes

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This Brochure, dated January 1, 2019, is a document that describes the advisor's business which is located in Denver, Colorado.

Since its last filing in March, 2018, the firm has changed its name from Advisersource.com, LLC to FamilyWealth™ Advisers.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last filing of this Brochure with the SEC. This section will also identify the date of our last annual Brochure update.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete Brochure. Currently, our Brochure may be requested at any time, without charge, by contacting us at [info@advisersource.com](mailto:info@advisersource.com).

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## Item 4 – Advisory Business Introduction

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FamilyWealth™ Advisers (“we”, “us”, “our”) is a Registered Investment Adviser (“Advisor”) which offers investment advice, portfolio management, securities and other financial services to clients. We are registered through and regulated by the United States Securities and Exchange Commission (“SEC”).

FamilyWealth™ Advisers was founded with a vision to provide wealth management solutions through investment adviser representatives (“IAR”) to their clients which includes individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable organizations, foundations, endowments, corporations and small businesses (collectively “Client”). We use the FamilyWealth™ platform (“Platform”) to provide IAR’s with a more comprehensive view of their Clients’ portfolios. The Platform provides better risk management, facilitates a broader range of investment options, and supports better relationships with our Client. This integrated Platform makes it easy to execute, manage and track client portfolios with:

- Client management: CRM technologies, client profiling and asset allocation review;
- Investment management: Research, rebalancing, trade order and portfolio management
- Performance monitoring: Data aggregation, reconciliation, performance reporting
- Operational support: Back office support, billing, compliance tools, websites and consultants
- Advisory Services Offerings

This Platform generally provides IAR:

- Access to multiple institutional assets allocation strategists (“Institutional Strategists”)
- Model portfolios designed to cover a number of standard risk/return assumptions
- Access to systems including tools for set-up of client accounts, client proposals, investment policy statements, client agreements and the ability to view and manage client data
- Research, timely information and recommendations regarding the qualifications, investment philosophies, policies and performance
- Preparation of periodic performance measurement reporting regarding Clients’ assets invested through the Platform

Dynamic asset management is a cornerstone of our investment philosophy. In practice, this means that we create investment strategies that cross over single asset class boundaries. This allows us to offer portfolios that are structured so that a lack of performance in one asset class is offset by over-performance in another asset class. We can invest in any market anywhere in the world to help us achieve global diversification with the objective that no one market or asset impairs our clients’ ability to grow their capital. By pairing dynamic asset management with our Platform, we can better allocate a Client’s investments across different classes and use excess returns in one asset class to protect against the downsides in another asset class, without resorting to classes that have much higher volatility to achieve desired returns.

FamilyWealth™ Advisers also provides retirement plan consulting and retirement plan management services. These services encompass plan design, investment policy reviews, ERISA fiduciary services and participant services, among other services.

We also may recommend insurance products as part of our overall advisory service.

We manage accounts on a discretionary and non-discretionary basis. If we manage your account on a discretionary basis, then you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for the account
- Amount of securities to be bought or sold for the account

While we may have trading discretion on your account (i.e., placing trades in your account without your approval) we are not authorized to withdraw any money, securities or other property from your account. We may have to trade in your account to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your investment program allocation. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice; however, we will work with your tax professionals to assist you with tax planning. You will have the opportunity to meet with us periodically to review the assets in your account.

## **1. Asset Management Services**

Asset management is the professional management of securities (stocks, bonds and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With a Separate Managed Account (“SMA”), Client engages us to assist in developing a personalized asset allocation program and portfolio designed to meet the Client’s investment objectives. The investments in the SMA may include but are not limited to: mutual funds, stocks, bonds, equity options, futures, and Exchange Traded Funds (ETF).

We provide investment advisory services to both retail clients (smaller accounts of individuals, IRAs, trusts & employee benefit plans) and institutional clients (larger accounts of corporate pension plans, public funds, foundations, & other tax exempt entities).

We believe that a flexible and opportunistic investment approach is vital for investors seeking a balance of risk and return. We also believe that a multi-asset class investment solution that dynamically adjust to global market conditions, fill this need.

## **Investment Philosophy**

With the outlook for fundamental investment strategies always evolving, portfolios must be able to evolve and adjust in an opportunistic and flexible manner to take advantage of market conditions. Portfolio Managers (“Managers”) need to deliver expertise and utilize sophisticated technology systems that can manage risk on an intraday basis, with deep, high quality research across every asset class. Managers with multi-asset expertise is especially relevant in today’s environment, in which investors are looking ahead to low expected returns, low growth, and relatively over-valued assets with higher levels of volatility.

One of our objectives is to construct portfolios in a manner similar to pension funds, by thinking about the objective of payment liabilities. Our focus is not only on accumulation but distribution and whether the Client’s asset level will meet their income objective as well as their objective for asset transfer to their heirs or charity. To achieve this goal, our philosophy is to blend passive, active, and alternative strategies. Passive investing offers the advantage of cost and is easy to understand, while active and alternative investments have the opportunity to generate excess return against its objective benchmark over time.

Based upon the client’s risk exposure, we allocate into a passive exposure with very low cost and pair it with a high conviction, high active-share strategy. We use passive strategies in markets where there is potentially less excess return opportunity – for instance, U.S. Large cap stocks. Then we spend both risk and fee budget in parts of the market where there is opportunity – emerging markets, small cap, and alternative investments. The potential for outperformance is not merely because the market misprices small caps or emerging market stocks and are less efficient. It is predominantly dispersion. Dispersion can be thought of as the spread between the best and the worst performance in the market.

Active management allows us to manage risk and downside protection. Investors can get the benefit of lower fees in their core assets and pay active management fees for true active management that may produce returns that exceed the market or allow for downside protection. Our investment philosophy allows for a shift toward considering absolute risk and return, and active and passive strategies can be used together to produce returns with appropriate risk. We believe absolute risk is more important than relative risk when moving to a higher conviction equity strategy.

## **Advisory Services**

The FamilyWealth™ Platform will assist us provide the following services when contracted to do so by the Client:

- Review your present financial situation
- Monitor and track assets under management
- Provide portfolio statements, periodic rate of return reports, asset allocation statement, rebalanced statements as needed
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Build a risk management profile for you
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed

The Client shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

The Client must notify us promptly when your financial situation, goals, objectives, or needs change.

Under certain conditions, securities from outside accounts may be transferred into your advisory account. However, we may recommend that the Client sell any security if we believe that it is not suitable for the current recommended investment strategy. The Client is responsible for any taxable events in these instances. We do not provide tax advice or tax management services. Client should always consult with your tax advisor for specific tax advice. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not an indication of future performance.

Your account can be managed in a tax aware manner; however, we do not provide tax advice or tax management services.

If the Client decides to implement our recommendations, we will help the Client open a custodial account(s). The funds in Client account will be held at an independent custodian, not with us. The identity of your custodian will be communicated to you before the account is opened. You will enter into a separate custodial agreement with the custodian. This agreement, among other things, authorizes the custodian to take instructions from us regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and do what we instruct. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

You will receive, at least quarterly, a statement containing a description of all the activity in your account. This statement lists the total value at the start of the month, itemizes all transaction activity during the month, and lists the

types, amounts, and total value of securities held as of the end of the month. Your statement may be in either printed or electronic form based upon your preferences.

We will also provide you with a quarterly performance statement starting at the end of the first full calendar quarter after signing the Client Advisory Agreement. These statements give you additional feedback regarding performance, educate you about our long-term investment philosophy, and describe any changes in current strategy and allocation along with the reasons for making these changes.

We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

We will meet with Client (“you”, “your”), to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. Our meeting will include your completion of an Investment Questionnaire which will assist us in the selection of your financial objectives. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information as applicable. Based on the information you share with us, we will analyze your situation and recommend an appropriate asset allocation or investment strategy using the FamilyWealth™ platform. Once accounts have been set up, we have access to comprehensive data, and can track clients’ portfolios against their own goals, rather than just broad benchmarks, while enhanced reporting allows us to fine-tune or redirect plans and strategies along the way.

Our recommendations and ongoing management is based upon your investment goals, objectives, risk tolerance, and the investment portfolio you have selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in quarterly and annual account reviews. These reviews will be conducted in person, by telephone conference, and/or via a written inquiry/questionnaire. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary.

## **2. Investment Programs**

FamilyWealth™ offers advisers a unique opportunity to provide clients with world-class asset management at almost any asset level and allow them to focus on critical client service functions instead of managing individual investments. The Platform helps Advisers deliver customized solutions, be they advisor–managed or third-party, including strategists and separate account managers. A one-stop Platform makes it easy to execute, manage and track client portfolios with:

- Quarterly performance reports branded with your firm information
- Investment Policy Statement (“IPS”) and proposal generator
- Advisor as manager including model level management
- Online pre-populated paperwork

### **FamilyWealth™ Portfolio Manager**

FamilyWealth Advisers offers access to several levels of asset management through the FamilyWealth™ Portfolio Manager. These options offer greater or lesser degrees of comprehensiveness and sophistication, and differ in terms of type of investment offered, the asset management firm’s responsibilities, overlay capabilities, and costs. By offering each of these options through a single platform, advisers and firms can efficiently service the full spectrum of Clients, from mass-market to mass-affluent and all the way up to ultra-high-net-worth individuals and households. FamilyWealth™ makes the most sophisticated solutions a realistic option for nearly any investor, and provides advisers with the tools they need to reach every segment of the market with an unsurpassed level of choice.



FamilyWealth Advisers<sup>SM</sup> provides certain services to the Client accounts that are opened through the Platform. These services generally include:

- Exercising discretion on whether, how and when to implement transactions in a client's account based on the Strategist(s), Manager(s), and type of account(s) selected by IAR and Client
- Arranging for the execution of trades in Clients' accounts (with the exception of accounts invested in Separately Managed Account Portfolios (SMA's))

The Client's IAR is generally responsible for:

- Ensuring Client suitability, investment objectives and goals, both initially and ongoing
- Selecting and changing the Strategists and Managers in Clients' account that we make available through the Platform in accordance with such objectives and goals

Clients should carefully review the executed investment management agreement with their IAR as well as the IAR's own Form ADV Brochure if applicable. The IAR is responsible for delivering these items to each Client in addition to determining the suitability of Platform services, Strategists, Managers, and the type of accounts listed below for their Clients.

1. **Mutual Fund Wrap** The most basic type of portfolio is the mutual fund wrap, in which multiple mutual funds are selected from a broad array (based on asset allocation guidelines) and managed as a single account. The fee "wraps around" the client's mutual fund account. This method provides transparency and simplicity, offering an alternative to upfront commissions or surrender charges.
2. **Exchange-Traded Fund (ETF) Wrap** The next level of an outsource portfolio solution is the exchange-traded fund (ETF) wrap. In this type of account, investments are held solely in ETFs, while portfolio construction is based on an asset allocation model and is monitored in light of market changes. The fee is asset based and the adviser typically pays for transaction costs. ETF wraps often have lower expense ratios than mutual fund wraps and offer added benefits such as intraday trading and tax efficiencies.
3. **Separately-Managed Account (SMA)** Separately-managed account (SMA) is a portfolio of individual securities managed by a single asset manager in a particular type of style and offered to the investor by a sponsoring firm. A fee-based SMA program can utilize multiple SMAs, while a single SMA can also form a single "sleeve" within a UMA structure (discussed below). In general, the main difference between an SMA and a mutual fund is that, in the former, the investor directly owns the securities instead of owning a share in the pool of securities.
4. **UMA (Unified Managed Account)** Offering a much higher level of sophistication is the unified managed account (UMA), which is a single fee-based account that combines numerous investment products within separate account sleeves. Offering a UMA requires that the wealth adviser manage the client on a platform optimized for UMAs. Management between sleeves can then be determined by an overlay process to help gain tax and trading efficiencies. UMAs typically are held by a single custodian, but FamilyWealth<sup>TM</sup> allows for aggregation across multiple custodians.
5. **Unified Managed Household Account (UMHA)** The last level is the unified managed household account (UMHA), which is similar to the UMA except that it brings together all aspects of a client household's wealth, not just that of a single individual. UMHA platforms allow for a more holistic approach that better mirrors how a wealthy household tends to think about its wealth. It can encompass all of the following: qualified and nonqualified accounts; alternative investments; real estate; collectibles; oil and gas partnerships; limited partnerships; managed futures accounts; and more. The UMHA has a single registration and can aggregate across multiple custodians, and many regard it as the pinnacle of advancement in managed

accounts. The holistic view that is provided by this aggregation can allow advisers to fee on held-away assets that come under their reporting and overview capabilities. Growth in both UMAs and UMHAs will likely accelerate among high-net-worth clients due to their preference for and the benefits of holistic wealth management.

### **Third Party Institutional Strategists**

Some of the Portfolio Managers available on the Platform are accessed through the use of Third Party Institutional Strategists (“Strategists”) where an asset manager constructs an asset allocation and selects the investments for each portfolio model. FamilyWealth™ Advisers may provide overlay management by implementing trade orders and periodically updating and rebalancing the models per the direction of the third-party manager. Third Party Institutional Strategists are subject to change and may not always be available on the Platform.

### **Third Party Separate Account Managers**

SMA Managers construct portfolios of individual securities with a specific objective, style, and risk. Clients may utilize multiple SMA Managers, while a single SMA can also form a single “sleeve” within a UMA structure. FamilyWealth™ Advisers may provide overlay management by implementing trade orders and periodically updating and rebalancing the models per the direction of the third-party manager. Third Party Separate Account Managers (“SMA Managers”) are subject to change and may not always be available on the Platform.

### **Overlay Management**

FamilyWealth™ Advisers<sup>SM</sup> provides overlay management services utilizing the FamilyWealth™ platform to track investor’s combined position from the separate managed accounts. Clients utilizing different Managers can create inefficiencies and increase the risk to the overall portfolio, have negative tax effects, or unbalance the Client’s positions. Any possible portfolio adjustment will be analyzed by the Platform, which ensures the overall portfolio will remain in balance and prevent any inefficient transactions from occurring.

### **Family CIO Services**

By monitoring the household account, FamilyWealth™ Advisers<sup>SM</sup> can address the complexities of high net worth families working with different custodians and advisers. We will keep a diligent watch over the aggregate household asset as well as the sleeve Managers and portfolios in each account. FamilyWealth™ Advisers may or may not make tactical investment allocations for certain parts of the overall household assets, but by maintaining a view of how the disparate parts are affecting each other; we can help families make critical decision for household asset allocation.

### **Solicitors**

For Clients referred to us by a solicitor, the Client will enter into an investment management agreement directly with FamilyWealth™ and FamilyWealth™ Advisers will be the Advisor. For these clients, FamilyWealth™ Advisers will provide the services outlined above as the Platform provider and will provide investment advisory services, which include, but are not limited to:

- Determining suitability of the Strategist(s), Manager(s), and type of accounts selected by the Client
- Exercising discretion regarding whether, how and when to implement transactions in a Client’s account based on the Strategist(s) and Manager(s) selected by the client
- Arranging for the execution of trades in clients’ Accounts (with the exception of accounts invested in SMA’s, as described further above)
- The complete services provided by FamilyWealth™ Advisers as the Advisor will be fully outlined in the agreement executed between FamilyWealth™ Advisers and the Client

Depending on the type of arrangement made between FamilyWealth™ Advisers and the Solicitor, the Solicitor may assist the Client in completing Platform account applications and other applicable forms and submit them to FamilyWealth™ Advisers. The Solicitor, if properly licensed to provide advice, may also obtain information from the client regarding the Client's investment objectives and financial situation and may assist the Client in determining a suitable Strategist(s), Manager(s), and type of account(s) based on such objectives and financial information. The Client is ultimately responsible for making the final selection of Strategist(s), Manager(s), and type of account(s). The Client is further responsible for promptly notifying FamilyWealth™ Advisers in writing of any change in the Client's investment objectives, financial situation, and/or the selection of Strategist(s), Manager(s), and type of account(s).

For Clients referred by a Solicitor, FamilyWealth™ Advisers reserves the right to not accept and/or terminate the account, if FamilyWealth™ Advisers believes at any time, based on information provided by the Client that the Strategist(s), Manager(s), and type of account(s) selected by the Client is not suitable and the Client's decision is to not change the selection.

## **Institutional Services**

If you are an institutional client, your accounts are managed in accordance with the investment objectives, guidelines & restrictions you establish. Purchases and sales of securities for your accounts are executed by either broker-dealer firms we select or broker-dealers that you request. We generally impose a minimum dollar amount of \$500,000 of assets for Institutional accounts, however smaller accounts may be accepted depending upon the specific circumstances of an account.

## **Financial Planning/Consulting**

We provide services such as comprehensive financial planning, estate planning, business planning and educational planning. Fee based financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with you and/or your other advisers (attorneys, accountants, etc.) as necessary.

In performing financial planning services, we typically examine and analyze your overall financial situation, which may include issues such as taxes, insurance needs, overall debt, credit, business planning, retirement savings and reviewing your current investment program. Our services may focus on all or only one of these areas depending upon the scope of our engagement with you.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. Choosing which advice to follow is your decision.

## **Other Services**

We may recommend and sell life, annuity, disability, and long-term care insurance. We will receive the usual and customary commissions associated with these sales from the insurance company. You will not pay a separate fee for these and your advisory fee will not be reduced by any payments we receive from these sales.

### **3. Retirement Plan Consulting**

For our firm's Retirement Plan accounts, our service begins with an analysis of the current retirement plan structure, custodian, third-party administrator, daily recordkeeper, investments, managed investment models, and fees. The analysis is designed to determine if we are able to add value to the plan and what areas, if any, may be deficient from both a regulatory perspective and from a financial advisory perspective.

We will offer you one or more of the following services:

- Plan design and asset selection consultation
- Develop and annually review an Investment Policy Statement ("IPS")
- Develop an investment menu according to the IPS
- Review plan sponsor's stated financial criteria for each investment option
- Monitor each investment option according to the IPS
- Quarterly portfolio statements, rate of return reports, asset allocation statements
- Provide investment research and performance information on investment options
- Investment option replacement guidance
- Personal consultations with the plan sponsor as necessary
- Develop Plan Investment Committee Charter, as needed
- Fiduciary due diligence assistance
- Attendance at Plan Committee and other meetings
- Annual Fiduciary Plan Review
- Fiduciary education services to Plan Committee
- Participant education, guidance, and enrollment
- Vendor coordination assistance
- Benchmarking services

#### **ERISA Fiduciary Services**

When delivering Employee Retirement Income Security Act of 1974, as amended ("ERISA") fiduciary services, we will perform those services for the retirement plan ("Plan") as a fiduciary under ERISA Section 3(21)(A)(ii) or 3(38) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. In our capacity as a 3(21)-plan fiduciary, we will conduct research to determine the core investment options to the Plan. We will consider the size of the Plan, number of participants, and the demographics of the employees to assist the plan sponsor in determining the appropriate investment(s) options for the Plan.

In our capacity as a 3(38)-plan fiduciary, we will select a diverse core investment option. We will monitor and change the investment options included in the Plan offered to Plan Participants from time-to-time as determined by us, solely in our discretion. The investment options will generally include multiple asset classes of mutual funds, SMAs, and exchange-traded funds.

We also encourage plan sponsors to consult with other professional advisers since we do not provide tax or legal advice that may affect asset classes or allocations. We will apply any guidelines our client supplies, as directed, however, compliance with these restrictions or guidelines, is our Client's responsibility.

## **Plan Structure**

We will assist our Client in evaluating the current plan's structure to determine if a change in the design of the plan better suits the needs of Plan participants. We will facilitate any changes with the appropriate parties including the third-party administrator, recordkeeper, and custodian as well as facilitating the execution of the required plan document amendments or new plan documents. However, we will not draft any amendments as an attorney or a TPA will need to perform this service.

## **Investment Committee**

We will assist you in the establishment of the Investment Committee ("Committee"), if a Committee is deemed appropriate, and the establishment of a formal Committee charter, delineating Committee responsibilities and fiduciary roles.

The Committee may be charged with the fiduciary responsibility of the prudent selection and oversight of the investment options, selecting and retaining professional advisers for the Plan including investment managers, recordkeeper, custodians, third party administrator, and the establishment, execution, and interpretation of an Investment Policy Statement for the Plan.

## **Investment Policy Statement Service**

FamilyWealth™ Advisers' Investment Policy Statement Service is designed to assist you in creating a written investment policy statement ("IPS") to document the Plan's investment criteria, demographics, goals and objectives as well as certain policies governing the investment of assets. The IPS serves as a guide to assist the Committee in effectively supervising, monitoring, and evaluating the investment of the plan's assets.

It is the client's responsibility to provide all necessary information for the preparation of the IPS, particularly any limitations imposed by law or otherwise. This draft IPS is then submitted to you for review and approval. It is Client's responsibility to confirm the Committee's acceptance of the IPS, and it is the Committee's responsibility to adhere to the IPS in managing the Plan. We encourage you to review accounts periodically to verify Committee's compliance with the IPS.

## **Investment Selection, Monitoring, and Replacement**

As the fiduciary under ERISA Section 3(21)(A)(ii) or 3(38) to the Plan, we will assist the Committee in selecting the core investment line up including evaluating SMA Managers, mutual funds, ETFs, Collective Investment Trusts ("CITs") and money market funds which may be retained or replaced.

Past performance of the core investment options and the indices that correspond to the core investment options may not be representative of actual future performance. Before a specific investment is selected, other factors such as economic trends, which may influence the choice of investments and risk tolerance, should be considered. We have the responsibility and authority to recommend the investment line up including evaluating investment managers and SMA Managers, mutual funds, ETFs, CITs, and money market funds which may be retained or replaced. The plan sponsor has the responsibility and authority to make the final decision regarding what investments to include in the model portfolio and when to add or exclude a specific security.

It is client's responsibility to select the final mix and to determine whether to implement any strategy. We will apply guidelines you supply, as directed; however, compliance with these restrictions or guidelines is Client's responsibility.

We will also monitor the current core investment line up including the investment's performance, performance compared to an applicable benchmark index, fees, management changes, style and fundamental investment strategy changes, and fund composition to determine if an investment no longer meets the criteria defined in the Investment Policy Statement. If the Investment Committee determines that a core investment option no longer meets the IPS criteria, we will advise the Committee on possible alternatives and assist in the selection of a

replacement investment.

## **Participant Meetings**

We may conduct plan participant meetings when a change is made either to the structure of the plan or if the investment lineup changes as a result of the decisions of the Committee. We will detail the changes being made, how it affects the current participants, review the current investment opportunities, how participants may make changes to their investment selections, and will answer any and all questions a participant may have.

## **Reporting**

We will send at least an annual Plan criteria report detailing the overall performance of the Plan's core investment option and a detailed list of investments passing or failing the IPS criteria.

## **4. Assets Under Management**

As of December 31, 2018 we have approximately \$123,678,767.40 in assets under management, for approximately 430 clients, managed on a discretionary basis

FamilyWealth™ Advisers understands and attests that they are an ERISA fiduciary as defined in the Fiduciary Rule under the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986. FamilyWealth™ Advisers adheres to the Impartial Conduct Standards (including the "best interest" standard, reasonable compensation and no misrepresented information), as a condition for relying upon the Best Interest Contract Exemption and the Class Exemption for Principal Transactions in Certain Assets Between Investment Advice Fiduciaries and Employee Benefit Plans and IRA during the transition period from June 9, 2017, through January 1, 2018. This relates to all ERISA accounts including Individual Retirement Accounts (IRAs).

FamilyWealth™ Advisers may act as a discretionary investment manager of the/any Plan as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974.

FamilyWealth™ Advisers may act as a non-discretionary investment manager of the/any Plan as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974.

## **Item 5 – Fees and Compensation**

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We provide our services for a fee. Our Client Service Agreement defines what fees are charged and their frequency. You may authorize the custodian to directly debit fees from your account held at the custodian and to pay us.

Your agreement with us may be terminated by either party at any time upon written notice pursuant to the provisions of your Agreement. There is no penalty for terminating your account and agreement.

Upon termination, you will receive a refund for the portion of the prepaid management fee which is not earned. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

### **1. Asset Management Fee Schedule**

We generally impose a minimum dollar amount of \$500,000 of assets for Institutional accounts, however smaller accounts may be accepted. Retail accounts do not have a minimum. The fee charged is based upon the amount of money you invest. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs. Management fees are prorated for each contribution and withdrawal made during the applicable calendar quarter (with the exception of small inconsequential contributions and withdrawals). You will be provided with a quarterly statement reflecting deduction of the advisory fees.

Payments are due and will be assessed on the last day of each quarter, based on the ending balance of the account under management for the preceding quarter and are calculated according to the following Retail and Institutional schedules.\*

## **Retail Retireright, Dimensional and Vanguard Portfolios – 1.45%\*\***

### **Institutional Fee Schedule**

<b>Percentage</b>	<b>Portfolio Size (AUM)</b>
0.80%	\$500,000 - \$1,000,000
0.70%	\$1,000,000 - \$2,000,000
0.65%	\$2,000,000 - \$5,000,000
0.60%	\$5,000,000 - \$10,000,000
0.50%	\$10,000,000 - \$50,000,000
0.40%	Over \$50,000,000

### **FamilyWealth™ Platform Fees**

In addition to the fees shown above, the Client will pay the following Platform fees:

<b>Asset Based Fees:</b>	<b>Custodial Aggregation Link Fees:</b>
First \$500,000..... 30bps (0.30%)	Annual Fee for Each Account:
Next \$500,000..... 25bps (0.25%)	\$100 (per account)
Next \$1,000,000..... 20bps (0.20%)	Annual Fee for Each "Non-Managed" Account:
Next \$1,000,000..... 15bps (0.15%)	5bps (0.05%)
Next \$1,000,000..... 10bps (0.10%)	
Assets Over \$4,000,000..... 5bps (0.05%)	

\*\*If applicable, the asset-based FamilyWealth Platform Fee is included in the 1.45% fee.

## **2. Separate Account Manager Fees**

Additional 10bps (0.10%) to 35bps (0.35%) asset management fee for asset managers of strategies and portfolios in the Managed Account Solutions Platform, depending on, manager selected.

Fees do not include expense ratios of underlying investments including, but not limited to: Mutual Funds, ETFs, UMA fees, outside advisor fees, or broker fees.

\*We retain the right to negotiate the fee structure on a per client basis.

### 3. Financial Adviser Fee on Non-Managed Assets

Additionally, as may be negotiated between Client and IAR or Solicitor through its Financial Advisor, a Financial Adviser Fee may be payable to Solicitor or IARs on "non-managed" assets. "Non-managed" assets are assets custodied at a custodian that has trading relationship with but for which the Adviser provides no Services, including but not limited to 3(21)(a)(ii) or the FamilyWealth™ platform services. If payment of a Financial Adviser Fee on non-managed" assets is agreed, the Adviser shall arrange that the custodian that the Adviser has a trading relationship with but for which the Adviser provides no Services shall deduct such amounts from Client Custody Accounts for payment to Solicitor or IAR, unless other arrangements are made.

### 4. Quarterly Maintenance Fees — charged to Solicitor

For each Account associated with a Solicitor, Solicitor shall identify one of its representatives, employees or agents to be the Financial Advisor designated with that Account. If at the beginning of any calendar quarter, following the first twelve months that any Financial Advisor has signed up with FamilyWealth™ Advisers, the Accounts designated with that Financial Advisor do not have a minimum of one million dollars (\$1,000,000) in assets, a Quarterly Maintenance Fee of

\$125.00 shall be due from Solicitor to the Adviser for that and each calendar quarter in which the total assets of the Accounts associated with the Financial Advisor do not exceed one million dollars (\$1,000,000). This Quarterly Maintenance Fee shall be deducted by the Adviser from any compensation payable by the Adviser to Solicitor. The total Accounts assets for each calendar quarter shall be calculated as fees are calculated for the Accounts associated with the Financial Advisor at issue. For example, if Account fees are based on asset values as of each quarter's end, those values shall be used to calculate the total assets of the Accounts associated with a Financial Advisor and, if average daily assets values are use, those values shall be used for the calculation.

### 5. Retirement Plan Consulting Fees

FamilyWealth™ Advisers standard fee may include establishing your Investment Policy Statement, reviewing your plan structure, investment selection and monitoring, fund changes, participant education and reporting. Advisory fees for the plan are paid to us by the Plan, directly from the plan sponsor, or in some cases a combination of both. These fees are generally collected by the Plan recordkeeper or vendor and paid directly to us. The fee paid for our services will be a flat annual fee of \$10,000 - \$100,000 or a fee based upon the amount of assets under management, up to 1.00%. Fees based upon the amount of assets under management will be calculated as follows:

Percentage	Portfolio Size (AUM)
1.00%	\$0-\$1,000,000
0.75%	\$1,000,001-\$5,000,000
0.50%	\$5,000,001-20,000,000
0.25%	\$20,000,001-\$50,000,000
Negotiable	\$50,000,001+

This fee includes services as an ERISA section 3(21) or 3(38) fiduciary with respect to client's plan.

FamilyWealth™ Advisers' advisory agreement with each plan sponsor outlines the timing of fees collected and the process of fee remittal.

### 6. Third Party Fees



Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third party investment companies and other third parties. These include 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. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 – Brokerage Practices.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives.

## **7. Other Compensation**

Our IAR's may receive additional compensation from sales of insurance products. They may be eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that he recommends. Our IARs may recommend and sell life, disability, annuity, and long-term care insurance and will receive the usual and customary commissions in addition to any agreed upon advisory fee.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving additional compensation creates a conflict of interest, and may affect our IAR's judgment when making recommendations. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that Clients may purchase recommended securities from other registered representatives not affiliated with us.

## **Item 6 – Performance Based Fee and Side by Side Management**

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We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 – Types of Client(s)**

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We provide portfolio management services to individuals, high net worth individuals, trusts, estates, corporate pension and profit-sharing plans, charitable organizations, trusts, foundations, endowments, corporations, trusts, small businesses and churches.

For institutions, our minimum account opening balance is \$500,000.00 which may be negotiable based upon certain circumstances

For individuals, we have no minimum account opening balance.

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

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We recognize that the outlook for fundamentals and the risk/return opportunity set is always evolving, and our portfolio management options must also evolve and adjust dynamically. We believe that a flexible and opportunistic investment approach is vital for investors seeking a balanced risk and return.

We believe that multi-asset investors should focus on short-term risk, and when the portfolio has any drawdown, it's our job to limit the impact. The more we can make any disruptions short and shallow, the easier it is to climb back out of them and the more it improves the growth rate over the long-term. We believe Multi-asset managers need to deliver expertise and systems that can manage risk on an intraday basis, with deep, high quality research across every asset class. By taking a forward-looking view of the attractiveness of individual asset classes and balancing risks and rewards across an entire diversified portfolio, Multi-Asset investing can become the locus of innovative asset allocation strategies.

To achieve this goal, we blend passive, active, and alternative strategies. We use passive strategies in markets where there is potentially less alpha opportunity. Then we spend both risk and fee budget in parts of the market where there is opportunity, such as emerging markets, small cap, and alternative investments.

In order to achieve these goals, we use a mixture of multiple investment methods, Fundamental, Modern Portfolio Theory, Cyclical, Technical and Targeted analyses.

## **1. Fundamental**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

Fundamental analysis serves to answer questions, such as:

- Is the company's revenue growing?
- Is it actually making a profit?
- Is it in a strong-enough position to beat out its competitors in the future?
- Is it able to repay its debts?
- Is management focused on increasing shareholder value?

One of the primary assumptions of fundamental analysis is that the price on the stock market does not fully reflect a stock's "real" value. We use a combination of qualitative and quantitative factors to try and find stocks that are undervalued. We look at both macroeconomic factors such as the overall economy and industry conditions and company-specific factors such as financial condition and management. When we are examining a stock, we might look at the stock's annual dividend payout, earnings per share, Price to Earnings ratio and many other quantitative factors. However, no analysis is complete without taking into account brand recognition and other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Once we discover undervalued funds, funds that are investing in undervalued stocks; we look at the company offering these funds to determine stability and volatility of the funds.

## **2. Modern Portfolio Theory**

We may also use Modern Portfolio Theory to help select the securities in our investment programs and portfolios.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk", measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk

### **3. Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

### **4. Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

### **5. Targeted Asset Allocation**

We combine analyses to determine asset allocation strategies in our resultant investment programs. Five targeted asset allocation model portfolios covering everything from Conservative to Aggressive Growth oriented approaches

have been compiled by us. We will advise you and you will choose which program or combination of programs most appropriate suits your goals and time horizon, while addressing the level of risk you are comfortable assuming. The strategic model portfolio allocation in our programs remains constant; your specific portfolio model may change infrequently to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from the model portfolio, which can be done on a regular basis. Rebalancing can occur after shifts in the market, changes in your financial circumstances, according to your specific requests and after significant deposits or withdrawals to and from your accounts. The timing and nature of rebalancing are dictated by your specific investment objectives and financial situation in consultation with us.

In order to perform this analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Company websites
- Inspections of corporate activities

## 6. Investment Strategies

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading -securities sold within 30 days

## 7. Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principle is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance. For a more comprehensive description of all the risks associated with our strategies, methodology, and products please refer to the glossary under Risks.

## Item 9 – Disciplinary Information

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Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information to disclose here about the firm or any of our investment advisers. We adhere to high ethical standards for all advisers and associates. We strive to do what's in your best interests.

## Item 10 – Other Financial Industry Activities and Affiliations

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### 1. Venture Fund

FamilyWealth™ Advisers is wholly owned by Austin Capital Venture Fund, LLLP.

### 2. Technology Tools

FinTech Automation LLC, offers access to the Platform (Family Wealth™) used by FamilyWealth™ Advisers. This provides us with technology that helps not only with portfolio management but with risk management as well. They partner with FamilyWealth™ Advisers to help tackle challenges with innovation and flexibility.

### Back Office Services

FinTech Automation LLC provides access to back office services including billing, account reconciliation and implementing trades for FamilyWealth™ Advisers. By outsourcing these functions to FinTech Automation LLC, FamilyWealth™ Advisers can provide more services more efficiently and cost-effectively to their Clients.

### 3. Other Affiliations

Neither FamilyWealth™ Advisers nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither FamilyWealth™ Advisers nor its management persons are affiliated with any broker-dealer.

### 4. Other Financial Industry Affiliations

The IARs of FamilyWealth™ Advisers have the following outside business activities and/or affiliations to disclose.

Some of our IARs are registered representatives of Ventoux Securities, LLC, Intervest International, Inc. and Sunbelt

Securities, Inc. They may recommend securities products that will pay them a commission through their broker-dealer relationship. When such recommendations or sales are made, a conflict of interest exists as the registered representatives may receive more commissions from the sale of these products than from providing you with advisory services.

We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose to clients that they may purchase recommended products from other representatives not affiliated with us. Our Code of Ethics requires our IARs do what is in the clients' best interests at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, not the commission they may receive. The broker-dealer also monitors all transaction to make certain they are suitable for the client.

Some of our IARs are registered representatives for other registered investment advisers.

Some of our IARs may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to clients.

When recommendations or sales of insurance products are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us.

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

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### **1. General Information**

We act in a fiduciary capacity as required by SEC and state Regulations. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We also adhere to the fiduciary standards of ERISA for all ERISA accounts. We adhere to the Impartial Conduct Standards which includes the "best interest" standard, reasonable compensation and no misrepresentation of information. We have policies and procedures in place to monitor our adherence to our fiduciary obligation. We strive to do what is in the best interests of all the accounts we advise.

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our Client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

### **2. Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with FamilyWealth™ Advisers from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact

- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the CCO.

### **3. Personal Trading**

We may recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

FamilyWealth™ Advisers has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve-month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IAR(s) of FamilyWealth™ Advisers, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

### **4. Privacy Statement**

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

### **5. Conflicts of Interest**

FamilyWealth™ Advisers' IARs may employ the same strategy for their personal investment accounts as it does for its clients. However, IARs may not place their orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

## Item 12 – Brokerage Practices

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### 1. Soft Dollars

We do not receive any soft dollars from broker-dealers, custodians or third party money managers.

### Research

As part of our agreement with the custodians we typically use, we may receive additional research and access to systems and processes that assist us in our investment research and analysis. These benefits may not be allocated equally among all of our clients or their accounts. We may also receive services which can include investment profiles, sales literature and advertising and other materials.

### 2. Brokerage for Client Referrals

We do not receive any compensation or incentive for referring you to certain broker-dealers for brokerage trades.

### 3. Best Execution

We will arrange for the execution of securities brokerage transactions for your account through Broker-Dealers that we reasonably believe will provide “best execution.” These transactions will typically take place through one of our approved broker-dealers/custodians. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker-Dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

### 4. Directed Brokerage

By directing brokerage to one of our approved broker-dealers, you may pay higher fees or transaction costs than those obtainable by other broker-dealers. In most cases, we believe you are paying a discounted and reasonable rate. You may pay higher or lower fees if you select another broker-dealer. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction. These commissions are reasonable and customary.

Not all advisory firms require you to direct brokerage to a specific broker-dealer. You may direct us to execute your transactions and custody your assets at a specific firm. By directing us to a specific custodian or Broker-Dealer, we may not be able to obtain the most favorable costs or execution. You may pay higher fees or transaction costs. You may also lose any benefits that we have been able to obtain for our other clients such as volume discounts or block trades. You will have the sole responsibility for negotiating the commission rate and other transaction costs with the Broker-Dealer and/or custodian. While you may direct us to a Broker-Dealer and/or custodian for execution of your transactions, you agree that we will not be required to effect any transactions through that directed broker if we reasonably deem doing so may result in a breach of our duties as a fiduciary. By directing brokerage, a disparity may exist between the commissions borne by your account and the commissions borne by our other clients that do not direct brokerage.

### 5. Trading

FamilyWealth™ Advisers may aggregate by Custodial Broker transactions for Platform clients in the same securities for the purpose of obtaining best execution, negotiating more favorable commission rates, or allocating equitably among clients the differences in prices and commission or other transaction costs that might not have been obtained had

such orders been placed independently.

No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per Custodial Broker) for all transactions in that security on a given business day.

FamilyWealth™ Advisers does not aggregate trades of our personnel with those of client accounts unless our personnel have personal accounts that are managed by FamilyWealth™ Advisers through the Platform.

FamilyWealth™ Advisers does not trade in any retirement accounts where the Plan is the client.

## **Item 13 – Review of Accounts**

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### **1. Reviews**

Reviews will be conducted at least annually or as agreed to by us. Reviews will be conducted by the Chief Compliance Officer. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of an equity or company in which client assets are invested, and market shifts and corrections.

### **2. Reports**

You will be provided with account statements reflecting the transactions occurring in your account at least quarterly. These statements may be written or electronic depending upon what you selected when you opened the account. You will be provided with confirmations for each securities transaction executed in the account. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

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

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We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

## **Item 15 – Custody**

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We do not have physical custody of any accounts. However, we do have constructive custody since we have the ability to debit the client fees directly from their advisory account. We will use one of our approved custodians for all your accounts. You should receive at least quarterly statements from the custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

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We usually receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.



When selecting securities, and determining amounts, we observe the investment policies, limitations and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Prior to assuming discretionary authority, clients must execute the Advisory Agreement. Execution of the Advisory Agreement grants us the authority to determine, without obtaining specific client consent, both the amount and the type of securities to be bought and sold to help achieve the client account objectives.

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

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We shall not render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in your advisory account. Furthermore, we shall not render any advice or take any action on behalf of you with respect to securities or any other investments held in your advisory account or the issuers of such securities or investments that become the subject of any legal proceedings, including bankruptcies or class-action suits relating to the securities held in the account. You retain the right and obligation to take any action with respect to any legal proceedings, including bankruptcies and class-action suits relating to securities held in the account.

## **Item 18 – Financial Information**

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We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

In no event shall we charge advisory fees that are both in excess of twelve hundred dollars and more than six months in advance of advisory services rendered.