

# Hackett Robertson Tobe Group Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of The Hackett Group LLC, DBA Hackett Robertson Tobe Group. If you have any questions about the contents of this brochure, please contact us at (504) 521-6114 or by email at: [info@hackett-group.com](mailto:info@hackett-group.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about The Hackett Group LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Hackett Group LLC's CRD number is: 304638.*

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

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## **Item 2: Material Changes**

The Hackett Group LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

The Hackett Group LLC, d/b/a *Hackett Robertson Tobe Group* (hereinafter “HRT”) is a Limited Liability Company organized in the State of Louisiana. The firm was formed in 2019, and the principal owners are Toni Hackett Antrum and Bernard Hawkins Robertson. The firm is the successor organization to The Hackett Group, a boutique pension and investment consulting practice based in New Orleans, founded by Toni Hackett Antrum in 2011.

### B. Types of Advisory Services

#### *Pension Consulting Services*

HRT offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

#### Philosophy

As a consultant, we provide independent and customized investment counsel and consulting services to defined contribution retirement plan sponsors. At HRT we translate and integrate the activities of the investment advisors and money managers, the custodial bank, the transition managers and the actuary into an accessible format so that the trustee or fiduciary can make the proper decisions regarding the fund – and make these decisions with confidence. The hallmark of this approach is training and education so that a fiduciary will make the best decisions possible on behalf of the plan participants.

### Defined Benefit Plan Services

HRT provides the following services:

- Evaluation of the client's current investment policy guidelines to determine if they are realistic;
- Preparation of a "Statement of Investment Policy and Objectives" that integrates the client's attitudes, objectives and requirements expressed in terms of return expectations and risk tolerance;
- Complete Asset Allocation and Liability Studies when requested to determine the proper mix of assets for the client.
- Search and presentation of the top investment advisors, money managers, and custodian banks whose philosophy and performance results meet the criteria set forth in the policy guidelines;
- Annual review of the "Statement of Investment Policy and Objectives" and asset allocation;
- Monitor the investment performance on a quarterly basis and providing a performance analysis report that examines the investment results versus the client's objectives, the market averages, and other investment advisor performance;
- Review monthly statements from the custodians of all funds in order to perform an analysis of portfolio attributes, comparative characteristics and style; and peer group/universal analysis and performance comparisons;
- Trustee education seminars; and
- Attendance at client offices and board meetings.

As a consultant, we do not provide any investment management services, nor exercise any investment discretion. We present all investment recommendations to the clients' board, trustees or directors. Implementation of any and all of our recommendations is at the sole discretion of the clients' board, trustees or directors.

### Defined Contribution Services

Also, HRT provides a suite of services to Defined Contribution Pension Plan Sponsor, including ;

- Assistance with plan design,
- Plan expense/cost analysis,
- Provider search assistance including
- RFP construction, vendor screening and selection,
- Participant communication,

## ***Municipal Advisory Services***

In addition, HRT provides advice to municipal entities regarding the issuance of municipal securities and also advise on the investment of public monies, including proceeds of municipal securities.

## ***Portfolio Management Services***

HRT offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HRT creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

HRT evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HRT will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

HRT seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of HRT's economic, investment or other financial interests. To meet its fiduciary obligations, HRT attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, HRT's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is HRT's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

HRT may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, HRT will always ensure those other advisers are properly licensed or registered as an investment adviser. HRT conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. HRT then makes investments with a third-party investment adviser by referring the client to the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third party adviser on behalf of HRT's client. HRT may also allocate among one or more private equity funds or private equity fund advisers. HRT

will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

HRT generally limits its investment advice to mutual funds, fixed income securities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities, venture capital funds and private placements. HRT may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

HRT offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent HRT from properly servicing the client account, or if the restrictions would require HRT to deviate from its standard suite of services, HRT reserves the right to end the relationship.

## **D. Wrap Fee Programs**

HRT acts as portfolio manager for and sponsor of a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. However, this brochure describes HRT's non-wrap fee advisory services; clients utilizing HRT's wrap fee portfolio management should see HRT's separate Wrap Fee Program Brochure. HRT manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. HRT receives the advisory fee set forth in Item 5 below as a management fee under the wrap fee program. Please also see Item 5 and Item 12 of this brochure.

## **E. Assets Under Management**

HRT has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$0	\$0	May 2019

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Pension Consulting Services Fees***

The rate for creating client pension consulting plans is between \$15,000 and \$300,000. The final fee schedule will be memorialized in the client's consulting contract or agreement. This service may be canceled with 30 days' notice.

#### ***Portfolio Management Fees***

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$249,999	3.00%
\$250,000 - \$999,999	2.00%
\$1,000,000 - AND UP	1.00%

HRT uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of HRT's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

#### ***Financial Planning Fees***

##### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$2,500 and \$50,000.



### Hourly Fees

The hourly fee for these services is \$175.

Clients may terminate the agreement without penalty, for full refund of HRT's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

### *Payment of Pension Consulting Fees*

Fixed pension consulting fees are paid via check or bank wires. These fees are paid quarterly in arrears.

### *Payment of Financial Planning Fees*

Financial planning fees are paid in arrears upon completion, via check or wire.

## **C. Client Responsibility for Third Party Fees**

This brochure describes HRT's non-wrap fee advisory services; clients utilizing HRT's wrap fee portfolio management should see the separate Wrap Fee Program Brochure for additional details regarding third party fees. Client accounts not participating in the wrap fee program are responsible for the payment of all third party fees (i.e., custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by HRT. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

HRT collects fees some fees in arrears and some in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in

the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

### **E. Outside Compensation for the Sale of Securities to Clients**

Neither HRT nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

HRT does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

HRT generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ State or Municipal Government Entities

There is a \$25,000 account minimum for HRT's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

When we provide portfolio management services, HRT's methods of analysis include Fundamental analysis, Modern portfolio theory and Technical analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### ***Investment Strategies***

HRT uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

As noted earlier in the Advisory section of the brochure, when the firm is providing pension consultant services we do not provide any investment management services, nor exercise any investment discretion. The core service is providing investment recommendations to the clients' board, trustees or directors. Implementation of any and all of our recommendations is at the sole discretion of the clients' board, trustees or directors.

We focus on the asset allocation decision of the fiduciaries we assist. The decision takes into account the liabilities of the fund, the cash flow needs of the retirement system and the risk profile of the trustees. Any investment manager recommendation is consistent with the purpose of the fund, taking into account the client's risk posture and the liabilities of the fund. The principal and staff of HRT are focused on conducting due diligence and research which enable us to understand and recommend current investment strategies consistent with the Investment policies of the fund.

## **B. Material Risks Involved**

### ***Methods of Analysis***

When the firm has been engaged as a pension consultant, we focus on the asset allocation decision of the fiduciaries we assist. The decision takes into account the liabilities of the fund, the cash flow needs of the retirement system and the risk profile of the trustees. Any investment manager recommendation is consistent with the purpose of the fund, taking into account the client's risk posture and the liabilities of the fund. The principal and staff of The Hackett Group are focused on conducting due diligence and research which enable us to understand and recommend current investment strategies consistent with the Investment policies of the fund.

When we provide portfolio management services we utilize the following

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Hedge funds** often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private equity** funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

In 1997 the introducing broker/dealer, WH Securities was suspended from membership by the NASD for failure to file its annual audited financial report. Toni Hackett Antrum was an owner and principal of the firm. The suspension resulted from the fraudulent behavior of the firms' CFO. It was subsequently determined that the CFO stole in excess of \$50,000 from the B/D. Upon this discovery and the dismissal of the employee, the Firm immediately filed the required financial audits and was reinstated to NASD. M. Antrum was fined for failure to properly supervise the employee. In January 1997, Toni Antrum in connection with the violation fulfilled her obligation to NASD/FINRA by paying the fine in full of \$10,000. Reference # CO560005 and CO5960032

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither HRT nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither HRT nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Toni Hackett Antrum acts as a registered municipal adviser and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. HRT always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of HRT in connection with such individual's activities outside of HRT.

The Hackett Group is registered as a municipal advisor with the Municipal Securities Rulemaking Board ("MSRB"). As such, HRT would like to make clients, and potential clients that are municipalities aware of the following conflicts. HRT does not:

- have any affiliates that provide any advice, service or product to, or on behalf of, a client that is directly related to the municipal advisory activities to be performed by The Hackett Group
- act as a solicitor in relation to municipal advisory activities. Therefore, The Hackett Group does not receive any payments from a third party to enlist the firm's recommendation to the client of its services including the transaction of any municipal financial product; participate in any fee-splitting arrangements involving with any provider of investments or services to a municipal client;
- have any compensation arrangements where payment for municipal advisory activities to be performed is contingent on the size or successful closing of a transaction; and
- make any payments, directly or indirectly, to obtain or retain an engagement to perform municipal advisory activities for a municipal advisory client.

Toni Hackett Antrum acts as a pension consultant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. HRT always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of HRT in connection with such individual's activities outside of HRT.

Bernard Hawkins Robertson III is an independent licensed insurance agent, and from time to time, will offer clients advice or products from those activities. Clients should be aware

that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. HRT always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of HRT in connection with such individual's activities outside of HRT.

Bernard Hawkins Robertson III acts as a pension consultant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. HRT always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of HRT in connection with such individual's activities outside of HRT.

Bernard Hawkins Robertson III is the owner of Robertson Wealth Advisors, LLC, a dba/support company.

Bernard Hawkins Robertson III is a part owner of Red Bean OZ Fund, LLC, a multi asset impact and opportunity zone fund. The Hackett Group, LLC d/b/a Hackett Robertson Tobe Group is the manager of the fund.

From time to time, Bernard Hawkins Robertson III may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. The Hackett Group, LLC d/b/a Hackett Robertson Tobe Group always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of The Hackett Group, LLC d/b/a Hackett Robertson Tobe Group in such individual's outside capacities.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

HRT does not utilize third-party investment advisers to manage client accounts.

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

#### **A. Code of Ethics**

HRT has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual



Review, and Sanctions. HRT's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

HRT does not recommend that clients buy or sell any security in which a related person to HRT or HRT has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of HRT may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HRT to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. HRT will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of HRT may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HRT to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, HRT will never engage in trading that operates to the client's disadvantage if representatives of HRT buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on HRT's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and HRT may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in HRT's research efforts. HRT will never charge a

premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

HRT recommends Charles Schwab & Co., Inc. Advisor Services.

### ***1. Research and Other Soft-Dollar Benefits***

While HRT has no formal soft dollars program in which soft dollars are used to pay for third party services, HRT may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). HRT may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and HRT does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. HRT benefits by not having to produce or pay for the research, products or services, and HRT will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that HRT's acceptance of soft dollar benefits may result in higher commissions charged to the client.

### ***2. Brokerage for Client Referrals***

HRT receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

HRT may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to HRT to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

HRT does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

## Item 13: Review of Accounts

### A. Frequency and Nature of Periodic Reviews

All client accounts for HRT's advisory services provided on an ongoing basis are reviewed at least quarterly by the client's advisor with regard to clients' respective investment policies and risk tolerance levels. All accounts at HRT are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the client's advisor. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

With regard to pension consulting clients, account review is conducted in the following way.

#### Performance Reports

On a periodic basis (monthly or quarterly) we will provide clients with a performance evaluation of the investments or a performance report. The performance report reviews the performance of the pension/retirement plan using various modern portfolio statics that compare the performance of the investment managers to the guidelines called for by the Investment Policy Statement (IPS). The Performance Report provides historical and comparative information and is not to be relied upon as a forecast or predictor of future performance returns.

#### Investment Manager Reports

The Hackett Group will review fund data for all the investment managers on at least an annual basis, evaluating the managers' performance in achieving the desired objectives to the IPS. The review is directed to whether the investment manager's performance and discipline is consistent with the intent and objectives of the IPS. We will provide information to facilitate comparisons of the investment managers' overall performance benchmarks described in the plan's IPS

The client is responsible for reviewing and understanding the information and analysis provided and assessing the adequacy of any particular investment managers' overall performance. We will assist the client in fulfilling this responsibility.

### B. Factors That Will Trigger a Non-Periodic Review

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, HRT's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of HRT's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties**

Charles Schwab & Co., Inc. Advisor Services provides HRT with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For HRT client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to HRT other products and services that benefit HRT but may not benefit its clients' accounts. These benefits may include national, regional or HRT specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of HRT by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist HRT in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of HRT's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to

service all or some substantial number of HRT's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to HRT other services intended to help HRT manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to HRT by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HRT. HRT is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

## **B. Compensation to Non - Advisory Personnel for Client Referrals**

HRT does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, HRT will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

With regard to our consulting services, most of our services under ERISA are provided as a 3(21) fiduciary. Under this arrangement we are a fiduciary to the plan, but do not have discretionary authority to make investment selections or replace investment option within the plan. We provide extensive investment tools to the trustees and/or administrators of the plan to guide them in their duty to implement, maintain, administer and provided fiduciary oversight of their investment programs.

HRT provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, HRT generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

HRT will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

HRT neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

Neither HRT nor its management has any financial condition that is likely to reasonably impair HRT's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

HRT has not been the subject of a bankruptcy petition in the last ten years.