



BUCKINGHAM  
STRATEGIC WEALTH

## FORM ADV PART 2

Buckingham Asset Management, LLC, d/b/a Buckingham Strategic Wealth

8182 Maryland, Suite 500

St. Louis, MO 63105

(314) 725-0455

[www.buckinghamadvisor.com](http://www.buckinghamadvisor.com)

June 10, 2019





This Form ADV Part 2A Brochure (herein after "Brochure") provides information about the qualifications and business practices of Buckingham Asset Management, LLC, d/b/a Buckingham Strategic Wealth ("Buckingham"). If you have any questions about the contents of this Brochure, please contact us at (314) 725-0455. 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.

Buckingham is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an investment advisor provide you with information about which you determine to hire or retain an investment advisor.

Additional information about Buckingham also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Buckingham is 143323.



## Item 2 – Material Changes

Buckingham amends this Brochure at least annually. This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our brochure was June 10, 2019 and contained the following material changes:

- Incorporation of new office locations in Charleston, SC.
- Item 14 has been amended to reflect Buckingham's participation in the Schwab Advisor Network® program.

Our most recent Annual Updating Amendment was filed on March 20, 2019.

We will further provide you with a new Brochure as necessary based on changes or new information, without charge.

Currently, our Brochure may be requested by contacting a member of our compliance department (314) 725-0455.



### Item 3 – Table of Contents

Item 2 – Material Changes .....	3
Item 3 – Table of Contents .....	4
Item 4 – Advisory Business .....	5
Item 5 – Fees and Compensation .....	9
Item 6 – Performance-Based Fees and Side-By-Side Management.....	12
Item 7 – Types of Clients .....	12
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9 – Disciplinary Information.....	17
Item 10 – Other Financial Industry Activities and Affiliations.....	17
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading.....	20
Item 12 – Brokerage Practices.....	21
Item 13 – Review of Accounts.....	24
Item 14 – Client Referrals and Other Compensation .....	24
Item 15 – Custody .....	30
Item 16 – Investment Discretion .....	30
Item 17 – Voting Client Securities .....	30
Item 18 – Financial Information.....	31



## Item 4 – Advisory Business

Buckingham Strategic Wealth (“Buckingham”) is a fee-only investment advisor and has been providing advisory services since 1994. As of March, 20, 2019 Buckingham managed \$13.85 billion on a discretionary basis and \$1.06 billion on a non-discretionary basis for total of \$14.91 billion assets under management. In addition, Buckingham provided services to \$547 million of participant-directed retirement plan assets.

Buckingham is headquartered in St. Louis, MO and has 32 other locations in the following cities:

- |                    |                   |                        |
|--------------------|-------------------|------------------------|
| • Ashland, OR      | • Austin, TX      | • Bend, OR             |
| • Bethesda, MD     | • Boca Raton, FL  | • Bourbonnais, IL      |
| • Buffalo, NY      | • Burlington, IA  | • Casper, WY           |
| • Charleston, SC   | • Charleston, WV  | • Colorado Springs, CO |
| • Dallas, TX       | • Deerfield, IL   | • Denver, CO           |
| • Fairfax, VA      | • Houston, TX     | • Indianapolis, IN     |
| • Irvine, CA       | • Lincoln, NE     | • Miami, FL            |
| • Middleburg, VA   | • New Castle, PA  | • Norfolk, VA          |
| • Palo Alto, CA    | • Pittsburgh, PA  | • Santa Rosa, CA       |
| • Scottsdale, AZ   | • Short Hills, NJ | • Stanford, CA         |
| • Walnut Creek, CA | • Wyomissing, PA  |                        |

Buckingham is a wholly owned subsidiary of Focus Operating, LLC, a wholly owned subsidiary of Focus Financial Partners, LLC. The sole managing member of Focus Financial Partners, LLC is Focus Financial Partners, Inc. Buckingham is also affiliated through both common ownership and control with BAM Advisor Services, LLC (BAM) a registered investment advisor. The officers of Buckingham are also officers of BAM. For more information, please see “Item 10 – Other Financial Industry Activities and Affiliations.”

### Advisory Services

Buckingham manages investment portfolios for a wide variety of clients, including individuals/high-net-worth individuals, qualified retirement plans, charitable organizations and foundations as well as corporations. Buckingham works with clients to determine the client's specific investment objectives. These objectives may be set forth in a written Investment Policy Statement (IPS) that describes an asset allocation that conforms to a client's risk tolerance level and expected rate of return requirements. Investment and portfolio allocation software is used to evaluate alternative portfolio designs. Buckingham evaluates clients' existing investments with respect to their IPS and works with new clients to develop a plan to transition from a client's existing portfolio to the portfolio recommended by Buckingham. Buckingham then continuously monitors clients' portfolio holdings and holds regular review meetings with clients regarding their account, as necessary.

Buckingham will typically create a portfolio of passively and/or evidence-based mutual funds and, where appropriate, individual fixed income securities and closed-end funds, and



can use model portfolios if the models match a client's investment policy. Buckingham will allocate a client's assets among various investments taking into consideration the client's unique ability, need and willingness to take risk.

Mutual funds or Exchange Traded Funds (ETFs) that follow a passive and/or evidence-based investment philosophy generally have low holdings turnover. Consequently, the fund expenses are generally lower than fees and expenses charged by other types of funds. Client portfolios can also include some individual equity securities but these are generally part of clients' investment holdings prior to working with Buckingham or were purchased at a client's direction. Buckingham manages portfolios on a discretionary and, in very limited circumstances, on a non-discretionary basis.


For certain clients, in addition to managing the client's investment portfolio, Buckingham also provides wealth management services, which are more holistic services than only investment management and include financial planning or financial consulting, such as retirement planning, charitable gift planning, college planning, estate planning, risk management counsel, assistance in the establishment of and counsel on retirement plans, and assistance with assets outside Buckingham's direct management, among other things.

For clients with a fixed income allocation, Buckingham generally recommends customized, ladder bond portfolios to clients. In such situations, Buckingham will typically request discretionary authority from clients to manage their fixed income assets. Discretionary authority is necessary to enable Buckingham to purchase such assets in a timely manner when they are available at quoted prices. Complete customized, ladder fixed income portfolios generally require a minimum level of assets allocated to fixed income. Low-cost passively managed fixed income mutual funds are typically used for smaller allocated amounts.

Buckingham regularly monitors credit ratings of client account holdings as reported by Moody's, Standard and Poor and/or Fitch. Buckingham can, at its discretion, maintain or sell securities based on transaction costs and other investment considerations. It is the firm's policy to hold most, but not all, fixed income assets in client portfolios until maturation absent a material change in credit quality or other investment decisions such as tax-loss harvesting opportunities.

Additionally, for clients holding certificate of deposits (CDs), Buckingham has regular credit surveillance of the banking institution holding the deposit as well as regularly monitors the total CD positions to ensure principal invested in CDs does not exceed FDIC insurance limits. For accounts linked by the same tax-payer identification number, Buckingham examines CD positions within accounts under Buckingham's management to look for breaches of FDIC insurance limits on principal invested in CDs. The firm does not monitor for CD positions held away from Buckingham. If clients hold CD positions elsewhere, it is their duty to inform Buckingham.

In certain unique circumstances or if requested by a client, Buckingham will allocate a portion of a portfolio to an independent third-party investment advisor ("separate account manager") for separate account management based upon individual client circumstances and objectives, including, but not limited to, client account size, investment strategy and tax circumstances. Upon the recognition of such situations, Buckingham will enter into a tri-party agreement with the client and separate account manager for the management of those securities. Buckingham will monitor the performance of the selected separate account manager(s). If Buckingham determines that a particular selected separate manager(s) is not



providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's personal investment guidelines or asset allocation, Buckingham will remove the client's assets from that selected separate account manager(s) and place the client's assets with another investment manager(s) at Buckingham's discretion (for discretionary accounts).

### Practice Integrated Wealth Management and Financial Planning

As a complement to our investment advisory services, Buckingham provides advice in the form of financial planning, typically this is geared toward integrating a client's professional and personal lives (referred to as Practice Integrated Wealth Management), but on limited occasions can be standalone financial planning or financial consulting services. In general, the financial plan or financial consulting services will address any or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals
- PROFESSIONAL: Cash flow expectations, debt structure, transition planning and office space lease vs buy decisions
- EDUCATION: 529 plans and general assistance in preparing to meet dependents' continuing educational needs
- TAX & CASH FLOW: Income tax, spending analysis and planning for past, current and future years
- DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio
- DIVORCE PLANNING: Assistance with financial issues and decisions that face couples in process of divorce

Information gathered includes a client's current financial status, future goals and attitudes toward risk. Should a client choose to implement the recommendations contained in the plan, Buckingham suggests the client work closely with his/her attorney, accountant and/or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion. Financial planning recommendations are of a generic nature and are not limited to any specific product or service offered by a broker dealer or insurance company.

### No Legal or Public Accounting Advice

While certain associates of Buckingham are licensed attorneys or certified public accountants and certain associates of Buckingham may engage in outside public accounting activities, Buckingham is not a law firm or a public accounting firm and does not provide any legal or public accounting advice. Clients should seek the counsel of a qualified certified public accountant and/or attorney when necessary.



## Employee Benefit Retirement Plan Services

Buckingham also provides advisory services to retirement plans using the third-party administration services of certain retirement plan service providers.

For such clients, Buckingham will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that will be imposed. Buckingham will recommend investment options to achieve the plan's objectives, provide participant education meetings and monitor the performance of the plan's investment vehicles.

Buckingham will periodically review plans' investment vehicles and investment policy statements, and will recommend changes in the plan's investment vehicles, as appropriate, from time to time.

As Buckingham does also serve in the capacity of "investment manager" to certain retirement plans. In such circumstances, Buckingham will additionally accept discretion to select available investments for the plan as well as create managed portfolios and make them available to plan participants.

Buckingham also offers the BAM Retirement Solutions platform in coordination with its affiliate BAM Advisor Services, LLC (BAM). Through BAM Retirement Solutions, Buckingham provides those services as described above with the direct support of BAM. Clients choosing BAM Retirement Solutions will engage both Buckingham and BAM, which will provide to the client additional discretionary investment management services.

In BAM Retirement Solutions, BAM will exercise discretionary authority to select the plan investments made available to plans' participants. Plan participants can select either a managed portfolio or construct their own customized portfolio from the funds made available within the plan. BAM will have discretion over the funds to be made available in the plan at any given time.

Buckingham will continue to work with plans to monitor plan investments, provide fiduciary plan advice, including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

## Sub-Advisory Services


Buckingham also acts as a sub-advisor to other independent registered investment advisors and their clients. Sub-advisory services are normally provided to the clients of independent investment advisors participating in the turnkey asset management services program offered by

Buckingham's affiliate, BAM. As a sub-advisor, Buckingham is hired by the independent investment advisor to provide individual account management, often for fixed income securities, to the independent investment advisor's clients. The independent investment advisor will work with the client to determine an appropriate allocation of assets for sub-advisory services and monitor the advisory services of Buckingham.

Buckingham's sub-advisory services can also include the following, as applicable:

- Analyze client's existing portfolio;
- Recommend strategies for client's portfolio;



- 
- Assist the client in creating an Investment Policy Statement to guide Buckingham in implementing the approved investment strategy;
  - Implement the investment strategy pursuant to investment discretion delegated by the independent investment advisor;
  - Monitor performance of the sub-advisory account;
  - Provide client with quarterly reports showing positions and performance; and
  - Meet in person with client, as requested by client.

### Organizational Oversight

Buckingham has instituted various levels of oversight to ensure its professionals adhere to the firm's policies and procedures and standards of business conduct. The Board of Directors manages and supervises the overall strategic direction of the firm. The professionals on the firm's Executive Leadership Team manage and supervise the overall day-to-day business operations of the firm. The professionals on the Executive Leadership Team and the Board of Directors oversee all aspects of the business. The firm's Investment Policy Committee oversees the overall investment strategy advice being provided to clients and is responsible for guiding the firm's investment philosophy, approving or recommending specific investments and ensuring that investment decisions are consistent with firm's research and strategy.

### Item 5 – Fees and Compensation

Clients will be charged advisory fees in advance at the beginning of each calendar quarter based upon the value (market value based on independent third-party sources or fair market value in the absence of market value; client account balances on which Buckingham calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements or timing of reporting) of the client's account(s) at the end of the previous quarter. New accounts may be charged a pro-rated fee for the remainder of the quarter in which the account is incepted.

Buckingham will request authority from clients to receive quarterly payments directly from the client's account(s) held by an independent qualified custodian. Clients must provide written limited authorization to Buckingham to withdraw fees from account(s).

In circumstances where a significant portion of the client's assets are not under Buckingham's direct management or where additional services are required, Buckingham may charge additional fees, as appropriate. The amount charged varies and is based upon the level and scope of services and/or assets. All fees are agreed to in advance in the client's investment advisory agreement.

Generally, either the client or Buckingham can terminate the advisory agreement without penalty upon thirty (30) day notice in writing to the other party. Upon termination of any agreement, any prepaid, unearned fees will be promptly refunded. Termination of an agreement will not affect (a) the validity of any action previously taken by Buckingham under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) the client's obligation to pay advisor fees (pro-rated through the date of termination and thirty (30) day notice period). On the termination



of the agreement, Buckingham will have no obligation to recommend or take any action with regard to the securities, cash or other investments in a client's account.

All fees paid to Buckingham are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders or the transaction fees charged by the custodian. Mutual fund and ETF expenses are described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee. A client could invest in mutual funds or ETFs directly, without the services of Buckingham. In that case, the client would not receive the services provided by Buckingham which are designed, among other things, to assist the client in determining which mutual fund/ETF or funds are most appropriate to each client's financial condition and objectives. Certain passively and/or evidence-based managed mutual funds also may not be available to the client directly. Accordingly, the client should review both the fees charged by the funds, the transaction fees charged by the custodian, as well as the fees charged by Buckingham to fully understand the total amount of fees to be paid by the client.

In certain circumstances, fees and account minimums will be negotiable based on family relations, firm affiliations or individual circumstances. Associates of Buckingham are not charged fees on either their personal accounts or accounts of immediate family members. Fees can also be reduced if a client receives portions of services from another investment advisor normally performed by Buckingham. Buckingham has agreed to reimburse the annual membership fee for clients who are members of the St. Louis Medical Society.

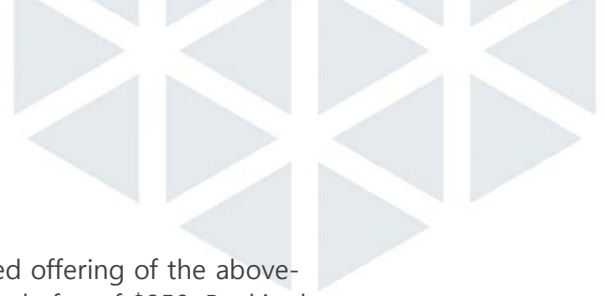
### Advisory Services

The annual fee for Buckingham's wealth management or asset management services is charged on a quarterly basis and is based on a percentage of the assets under management/advisement and typically ranges from 0.40% to 1.25% per year depending on the size and complexity of the client's accounts as well as services required, specifically negotiated fees and historically grandfathered fee schedules. Fees will typically be tiered and the fee is calculated by applying a different fee rate to each corresponding range of account balance of the portfolio. The specific fee schedule charged by Buckingham is established in a client's written agreement with Buckingham. Advisory fees shall apply to cash balances unless negotiated or agreed upon otherwise. In certain limited circumstances, a client may also receive income tax preparation, tax planning and/or tax compliance services as part of their advisory fee.

Individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

Client accounts where the total balance of all accounts is below \$500,000 will be accepted only on a case-by-case basis.

Buckingham generally requires a minimum annual fee of \$5,000 for wealth management services, which includes retirement planning, charitable gift planning, college planning, risk management counsel, establishment of and counsel on retirement plans, and assistance with assets outside Buckingham's direct management, among other things.



For investment management services and a more condensed offering of the above-referenced services, Buckingham requires a minimum quarterly fee of \$250. Buckingham refers to this more streamlined offering as its "Asset Management Offering."

If an independent third-party advisor is utilized for the separate account management described earlier in Item 4, that advisor can charge fees in addition to Buckingham's. All fees and expenses charged by separate account manager(s) are separate and distinct from those Buckingham charges and are withdrawn from the client's account by the separate account manager. Buckingham does not receive any fees or payments from separate account manager(s). Buckingham will review the aggregate fee charged by both Buckingham and the selected separate account manager(s) to ensure it will be fair and reasonable and will be competitive with those fees customarily charged in the industry for similar services.

Buckingham generally charges institutional clients (both for-profit and not-for-profit) a reduced fee from the firm's standard schedule above upon mutual agreement with the institutional client. Institutional advisory service fees are negotiable based upon various factors including, but not limited to, the requirements of the client, total assets under management and the complexity of services provided. The minimum annual fee for institutional advisory service relationships is \$26,000 for institutions with greater than \$5,000,000 of managed assets.

For limited scope engagements, including certain tax planning, tax compliance service or tax preparation engagements, Buckingham may charge an hourly fee, ranging from \$200 to \$350 per hour, depending on the nature and complexity of each client's engagement and the Buckingham professional providing the services.

### Practice Integrated Wealth Management

If a client chooses the Practice Integrated Wealth Management offering, Buckingham charges a fixed fee. Buckingham's fees are negotiable, but for this type of financial planning, fees generally range from \$150 per month to \$825 per month. The exact amount depends upon the level and scope of the services required and the professionals rendering the services. Fixed fees are paid on a monthly schedule and are paid in advance. Buckingham will not require any payment greater than \$1,200 more than six (6) months in advance of services to be rendered.

### Employee Benefit Retirement Plan Services

The annual fee for Buckingham's plan services is charged on a quarterly basis and is based on a percentage of assets within the plan and typically ranges from 0.20% to 1.00% per year. The annual fee will be based upon a number of factors including the size of the plan, the number of participants, the number of locations as well as the method of employee education and the services required. Fees will typically be tiered, and the fee is calculated by applying a different fee rate to each corresponding range of the plan's account balance. Generally, the annual fee for plan services will not be higher than Buckingham's standard fee schedule for accounts set up through the retirement plan service providers.

### Retirement Account Clients

Buckingham is a fiduciary under ERISA with respect to investment management services and investment advice provided to ERISA Clients, including ERISA plan participants. Buckingham is also a fiduciary under the Internal Revenue Code (the "IRC")



with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRA owners and IRAs. As such, Buckingham is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption. A conflict of interest arises and the prohibited transaction rules are implicated when Buckingham provides fiduciary advice about plan distributions and rollovers if it results in Buckingham receiving compensation that it would not have received absent the advice. Buckingham will mitigate this conflict by acting in the best interest of the client. No client is under any obligation to roll over ERISA plan or IRA assets to an account advised or managed by Buckingham.

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

Buckingham does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

### **Item 7 – Types of Clients**

Buckingham manages investment portfolios for a wide variety of clients, including individuals/high-net-worth individuals, qualified retirement plans, charitable organizations and foundations as well as corporations.

While Buckingham does not have a defined minimum account size and instead has established a \$5,000 minimum fee for its wealth management services, client accounts where the total balance of all accounts falls below \$500,000 are accepted on a case-by-case basis.

For investment management services and a more condensed offering of the wealth management services referenced above, Buckingham requires a minimum quarterly fee of \$250.

The minimum annual fee for institutional advisory service relationships is \$26,000 for institutions with greater than \$5,000,000 of managed assets.


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

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. The primary vehicles recommended for investing are registered funds and customized, laddered bond portfolios. Buckingham generally recommends only investment grade bonds and monitors these securities for changes in rating.

If appropriate for a particular client, Buckingham recommends certain alternatives that are still registered investment company funds, for certain clients.

As a component of the financial planning process, Buckingham may also evaluate insurance products such as annuities and various types of life insurance products and the impact on the client's financial profile and planning.

Buckingham's security analysis is based on a number of factors, including those derived from academic research and literature, commercially available software technology,



securities rating services, general market and financial information, due diligence reviews and specific investment analysis that clients request.

Buckingham practices an evidence-based approach to investing. The focus of Buckingham's Investment Policy Committee (IPC) is understanding the investment best practices and body of knowledge defined by the last 50-plus years of academic and practitioner research. This research is ongoing and will continue to inform the recommendations Buckingham makes to its clients. Buckingham's investment strategy guidance is not defined by what any member of the IPC "thinks" markets, the economy or interest rates are going to do. This approach to investing, typically referred to as "active management," and Buckingham does not follow this framework. Buckingham believes there are six key tenets associated with evidence-based investing (EBI):

**1. Outperforming the market is difficult.**

While Buckingham does believe there are ways to build portfolios through strategic allocation decisions informed by academic evidence, Buckingham never loses sight of the fact that outperforming the market is not easy. Given this fact, Buckingham generally recommends lower-cost, tax-efficient portfolios to its clients.

**2. Size, value and momentum tilts utilized.**

There is abundant academic evidence showing that small-cap stocks have historically generated higher long-term returns than large-cap stocks, that value stocks — which are stocks with low prices relative to earnings — have historically outperformed growth stocks, and that positive momentum stocks — which are stocks with high returns over the last year — have historically outperformed negative momentum stocks. Buckingham tries to capture these historical long-term return premiums through the stock and alternatives funds Buckingham uses.

**3. Global stock market diversification is the starting point.**


The academic evidence shows that investors should own U.S., international and emerging markets stocks, not concentrating solely on U.S. companies. This research shows that diversification across countries makes sense in the same way that diversification across companies does. We have no way of knowing which particular country will generate the highest long-term returns (and Buckingham does not believe anyone else does either), so Buckingham believes that diversification is the right strategy. Further, approximately half of the world's stock market value is located in non-U.S. companies, which is one other argument for global diversification.

**4. The primary role of fixed income is to reduce portfolio volatility.**

Buckingham believes that academic and practitioner evidence shows that the most efficient way to build portfolios is by taking risk through the stock and alternatives portion of the portfolio and using fixed income to reduce portfolio risk. This means that Buckingham's fixed income recommendations primarily emphasize U.S. government-backed securities and high-quality municipal bonds because these securities tend to provide the most effective diversification of stock and alternative market risks.

**5. Academic evidence supports modest use of alternative investment strategies.**

While Buckingham is generally skeptical of most alternative investment strategies, Buckingham believes there are a few alternative strategies accessed in registered fund form that can enhance portfolio forward-looking forecasted returns and/or



reduce portfolio volatility. Allocations here, however, should be relatively modest since some of these strategies have relatively high expense ratios and be tax inefficient.

**6. EBI slowly evolves over time.**

Importantly, EBI is not static. Buckingham's investment strategy recommendations will evolve as academic and practitioner evidence evolves.

Long-term investment success means different things to different people. Buckingham believes that the best investment plan for a client depends on the client's specific circumstances and objectives. That is why Buckingham begins the investment planning process in a Discovery Meeting with a conversation about the client's values, goals, relationships, assets, types of accounts, advisors, preferred processes and interests.

While every client's situation is unique, certain factors should be considered in creating any investment plan. These factors include the purpose of the portfolio, its size, specific funding sources, how and when a client plans to use the funds, and the degree of uncertainty or risk a client is willing to accept in pursuit of their objectives. As Buckingham establishes a clear vision of a client's goals and circumstances, Buckingham can build the foundation of an investment plan that best matches the client's needs as well as the realities of the financial markets.

As part of the assessment process with each client, Buckingham engages in a risk assessment process. For many investors, their most important long-term goal is achieving financial independence. But most clients also have intermediate-term goals, such as funding college education, travel or vacation homes. Achieving these goals commonly requires some measure of risk since most investors need returns in excess of inflation to meet their goals. Risk, however, is multifaceted, which is why Buckingham focuses on four different aspects of risk in helping guide the asset allocation discussion.

**Part One: Ability to Take Risk**

A client's ability to take risk is most commonly a function of (1) the time horizon(s) of the client's investment objective(s), (2) whether the client is working or retired, and (3) the stability of the client's job. Longer time horizons argue for more aggressive asset allocation strategies because a long time horizon gives the portfolio more time to recover after periods of poor performance. If a client is still working, he or she could be able to be more aggressive since the portfolio is likely not needed to support spending needs. Investors in more stable jobs (e.g., a university professor) generally have greater ability to take risk compared to investors with jobs that are more sensitive to the performance of the economy.

**Part Two: Willingness to Take Risk**

Willingness to take risk measures a client's tolerance for risk. Specifically, we measure the amount of portfolio loss a client is capable of experiencing without it significantly affecting the client's quality of life or causing the client to change portfolio strategy. This is a crucially important aspect of risk because changing portfolio strategy *after* a client experiences risk is something the client's portfolio may not recover from.

**Part Three: Need to Take Risk**

Need to take risk is directly tied to the client's rate-of-return objective. If a client needs relatively high returns to achieve his or her goals, the need to take risk is high. But this will





require a more aggressive asset allocation, which could be in conflict with a client's ability or willingness to take risk. Need to take risk is typically relatively high for investors who expect to withdraw (or are withdrawing) a relatively high proportion (e.g., a withdrawal rate in excess of 3 percent) of their investment portfolios to fund living expenses.

#### Part Four: Tracking Error Risk

Some investors are sensitive to how their portfolio performs relative to well-known U.S. stock indexes like the S&P 500. While Buckingham encourages clients not to constantly compare portfolio returns to benchmark returns because it can lead to counterproductive, returns-chasing behavior, Buckingham nevertheless cannot ignore the tendency for some investors to make this comparison. The two sources of tracking error in the portfolios Buckingham customarily builds for clients are allocations to international and emerging market stocks and tilts toward small-cap and value oriented stocks. Investors who are highly sensitive to underperformance of indexes like the S&P 500 might want to consider less exposure to international stocks and less tilt toward small-cap and value stocks.

#### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, exchange traded funds (ETFs) and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation.

In other words, the purchasing power of the proceeds can be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Buckingham include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities, commodity futures and, in certain circumstances, funds that are focused on seeking alternative sources of return that have low or negative correlation to stocks and bonds, including funds investing in alternative lending securities, reinsurance related securities, managed futures and currencies. Equity securities include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the more risky mutual funds used in Buckingham's investment strategies are the U.S. and international small capitalization and small capitalization value funds, emerging markets funds, commodity futures funds, alternative lending securities funds, reinsurance funds, managed futures funds and funds holding currencies. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities (TIPS)) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Buckingham contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks can be greater with investments in developing countries.



More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses within each applicable sector.

Equity Securities Risk. Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s) – such as large cap, mid cap or small cap stocks, or growth or value stocks – can underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies can involve greater risk and price volatility than investments in larger, more mature companies.

Fixed-Income Securities Risk. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed-income securities generally declines when interest rates rise, and an issuer of fixed-income securities could default on its payment obligations.

Asset Allocation Risk. A fund's selection and weighting of asset classes and/or underlying funds can cause it to underperform other funds with a similar investment objective.

Interval Fund Risk. Where appropriate, Buckingham may utilize certain funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940 ("interval fund"). Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired, and the fund can suspend or postpone repurchases. Additionally, in limited circumstances, an interval fund may have a limited amount of capacity and may not be able to fulfill all purchase orders. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. The closed-end interval funds utilized by Buckingham impose liquidity gates for each repurchase offer and in the event the offer is oversubscribed, the requested redemption amount may be reduced

As interval funds may expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares. Clients should carefully review the fund's prospectus and most recent shareholder report to more fully understand the interval fund structure and be knowledgeable to the unique risks associated with interval funds, including the illiquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

Alternative Fund Risk. Certain alternative funds (registered under the Investment Company Act of 1940) utilized by Buckingham may employ use of derivatives, options, futures and/or short sales. Use of derivatives, options or futures by a Fund may be for purposes of gaining exposure to a particular asset group, for hedging purposes or for leverage purposes. The use of derivatives, options and futures exposes the funds to additional risks and transaction costs. In addition, if the Fund uses leverage through activities such as entering into short





sales or purchasing derivative instruments, there are additional risk, including the fund having the risk that losses may exceed the net assets of the fund. The net asset value of a fund while employing leverage will be more volatile and sensitive to market movements. Clients should carefully review the fund's prospectus to more fully understand the risk of funds employing the use of derivatives, options, futures and/or short sales. Investments in these funds should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

### **Cybersecurity**

The computer systems, networks and devices used by Buckingham and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs, as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. In addition substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Buckingham or the integrity of Buckingham's management. Buckingham has no information applicable to this Item.

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

#### **Focus Operating, LLC, Focus Financial Partners, LLC and Focus Financial Partners, Inc.**

Buckingham is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Buckingham is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.



Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of the end of 2018, investment vehicles affiliated with Stone Point Capital, LLC ("Stone Point") had a greater than 25% voting interest in Focus Inc., and Stone Point had the right to designate two of seven directors on the Focus Inc. Board. As of the end of 2018, investment vehicles affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") had a less than 25% voting interest in Focus Inc., and KKR had the right to designate one of seven directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

The Focus Partners do not share client information amongst each other without prior client consent, and officers of the other Focus Partners are not involved in the management of Buckingham. Additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

Periodically, Focus holds Focus Partners partnership meetings and industry and best-practices conferences, which typically include attendees from Buckingham, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Buckingham. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Buckingham. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Buckingham to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Buckingham. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement. Conference sponsors in the last year included BlackRock Inc., Fidelity Brokerage Services, LLC, Orion Advisor Services, LLC, Charles Schwab & Co., Inc.

#### **BAM Advisor Services, LLC d/b/a Loring Ward**

BAM Advisor Services, LLC (BAM/Loring Ward) is an investment advisor registered with the SEC. Following the closing of a transaction with Loring Ward on November 30, 2018, BAM also does business as Loring Ward. BAM/Loring Ward provide services to independent registered investment advisors across the country, including, asset-class allocation and investment management, technology, education, marketing, administration services, support and consultation. BAM/Loring Ward's subadvisory services include providing fixed income sub-advisory services to independent investment advisors and their clients pursuant to limited investment discretion. For certain accounts, BAM/Loring Ward also provides sub-



advisory services through custom model asset allocation portfolios to independent investment advisers and their clients. Buckingham shares investment personnel and support services with BAM/Loring Ward in providing services.

Such services include, among others, trade processing, calculation and collection of management fees, record maintenance, report preparation, marketing assistance and research. BAM/Loring Ward also offers distinct packages of services for retirement plan services.

See Item 12 for further descriptions of investment and trading operations that discuss certain conflicts of interest presented through the overlap of services provided by Buckingham and BAM/Loring Ward. Buckingham and BAM/Loring Ward share office space, accounting personnel, trading desks and many other critical functions including management.

### SA Funds

BAM/Loring Ward is the investment manager, administrator, and shareholder servicing agent of the SA Funds – Investment Trust (“SA Funds”), a series of open-end mutual funds. For further information about the SA Funds, refer to the applicable prospectus at <https://loringward.com/sa-funds/documents>. BAM/Loring Ward defines the investment objectives of the individual SA Funds, administers the SA Funds, monitors the Sub-Adviser and other service providers to the SA Funds, and is responsible for the servicing of the SA Funds’ shareholders. For its services to the SA Funds, BAM/Loring Ward receives management, administration, and shareholder servicing fees from each of the SA Funds as described in the SA Funds’ prospectus.

All of the officers of the SA Funds are employees of BAM/Loring Ward. They do not receive compensation from the SA Funds for this service. BAM/Loring Ward is compensated directly from the SA Funds, as described in the SA Funds’ prospectus. Loring Ward does not emphasize one SA Fund over another except as part of an overall portfolio or asset-class allocation strategy. If a Buckingham client holds an SA Fund as part of their portfolio, that position is excluded from the wealth management fee as Buckingham’s affiliate, BAM/Loring Ward, are compensated from the SA Funds.

BAM/Loring Ward has contracted with DFA, an unaffiliated registered investment adviser, to buy and sell securities that fulfill the asset-class investment components of the SA Funds (with the exception of the SA Worldwide Moderate Growth Fund). DFA uses a committee of investment professionals to manage the assets of these Funds. BAM/Loring Ward relies on DFA as the SA Funds’ sub-adviser to obtain best execution for all trading performed on behalf of the SA Funds.



BAM/Loring Ward may contract with other mutual fund sub-advisers when additional funds are added to the Trust or should BAM/Loring Ward determine that the continued use of DFA is not advantageous to the SA Funds or its shareholders. Loring Ward and the Trust have obtained exemptive relief to change sub-advisers for any SA Fund by a vote of the Board of Trustees of the Trust. It may also retain others to perform accounting, administration, and shareholder services. See additional disclosure re: SA Funds under Item 14.

### **Tax Planning & Tax Compliance Services**

In addition to providing advisory services, Buckingham also provides income tax preparation, tax planning and tax compliance services to a limited number of clients. Clients are under no obligation to utilize Buckingham for these services.

### **Outside Business Activities –Accounting Firms**

Certain individual Associates of Buckingham may be actively engaged in the practice of public accounting or tax preparation services through independent accounting firms. Certain Associates may also have ownership in these independent accounting firms. Tax and/or accounting services provided by these individuals are separate and distinct from the advisory services of Buckingham, and are provided for separate and typical compensation. There are no referral fee arrangements between Buckingham and these unaffiliated accounting firms. Any Associate engaged in accounting or tax services has disclosed this activity in their Brochure Supplement (Form ADV Part 2B). No Buckingham client is obligated to use these individuals for any accounting or tax services.


### **Outside Business Activities – Passive Ownership in Accounting Firm**

Certain individual Wealth Advisors of Buckingham may have had ownership in an accounting firm. Some of these individual Wealth Advisors have maintained a minority passive ownership in an accounting firm as part of a transition of ownership of the accounting firm. Any Wealth Advisor with this continuing legacy passive ownership in an accounting firm has disclosed this ownership in their Brochure Supplement (Form ADV Part 2B).

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

Buckingham has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Buckingham's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Buckingham's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Buckingham buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the expressed policy of Buckingham that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Buckingham requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Compliance



department. Buckingham also requires such access persons to receive approval from the Compliance department prior to investing in any initial public offerings or private placements.

Buckingham's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Buckingham requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Buckingham will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

### **Investment Management Services**

Buckingham participates in the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity Brokerage Services, LLC (Fidelity), the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. (Schwab), and the TD Ameritrade Institutional Program (TDA), a division of TD Ameritrade, Inc., member FINRA/SIPC. Fidelity, Schwab and TDA offer services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions. Fidelity, Schwab and TDA are independent unaffiliated SEC-registered and Financial Industry Regulatory Authority (FINRA) member broker-dealers and are members of SIPC.

Buckingham also has negotiated special bank money market and bank certificate of deposit (CD) rates that may not be available to retail investors through Enterprise Bank & Trust (Enterprise) and The Business Bank. Enterprise and The Business Bank are unaffiliated with Buckingham and are bank regulated entities.

With respect to retirement plans, 529 plans and after-tax annuities, Buckingham participates in the TIAA-CREF Financial Advisor Program offered to advisors providing fee-only investment management. Buckingham also utilizes Peoples Benefit Life Insurance Company, a division of AEGON and Jefferson National for after-tax annuities.

The Fidelity, Schwab and TDA brokerage programs will generally be offered to advisory clients for the execution of mutual fund, registered closed-end fund, ETF and equity securities transactions. Buckingham regularly reviews these programs to ensure that its offerings are consistent with its fiduciary duty. These trading platforms are essential to Buckingham's service arrangements and capabilities, and Buckingham generally does not accept clients who direct the use of other brokers. As part of these programs, Buckingham receives benefits that it would not receive if it did not offer investment advice or if it did not participate in these programs. Fidelity, Schwab and TDA also provide certain economic benefits to Buckingham. (See the disclosure under Item 14 of this Brochure for further details.)

The Enterprise and Business Bank platforms are generally offered to clients who desire to have bank deposit accounts and who would like to maintain a higher cash or short-term time deposit allocation. Use of Enterprise and Business Bank require clients to open an



account with these banking institutions. The Enterprise and Business Bank have provided certain benefits directly to Buckingham to allow Buckingham and BAM's back-office technology to link directly to these organizations. (See the disclosure under Item 14 of this Brochure for further details.)

As Buckingham will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid in these situations, clients must direct Buckingham as to the broker-dealer to be used. The commissions and transaction fees charged by these broker-dealers could be higher or lower than those charged by other custodians and broker-dealers. In directing the use of a particular broker-dealer, it should be understood that Buckingham will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved. Not all investment advisors require clients to direct the use of specific broker-dealers.

For fixed income portfolios and transactions, however, Buckingham requests that it be provided with written authority to determine the broker-dealer to use for client transactions and the costs that will be charged to clients for these transactions. Any limitations on this discretionary authority shall be included in this written authority statement. Clients can change or amend these limitations but such amendments need to be submitted to Buckingham in writing.

In fixed income portfolios, Buckingham will monitor the quality of services and client fixed income transactions, and approve the selection of those that will provide the best services at the lowest costs possible. The reasonableness of brokerage costs and "mark ups/mark downs" is based on the dealer's ability to provide professional services, competitive execution, expertise in specific securities or markets (securities availability), price competitiveness, speed of response, operational efficiency, market research, idea generation, bid strength, experience and financial stability, bid strength and other services that will help Buckingham in providing investment management services to clients.

Client trades in fixed income or equity transactions may be blocked with transactions where (1) Buckingham initiates each client transaction (2) or client transactions are initiated by Buckingham, BAM or an investment advisor utilizing the back office services of BAM or Buckingham. Block trading will be utilized to seek cost benefits for clients.

In the event block trades are only partially filled, allocations will be made on a fair and equitable basis considering the timing of orders and the ability to pro-rate partial trade fills from brokers and dealers. As necessary, the first order received meeting minimum lot size requirements may be allocated shares on a preferential basis. The trading desk of Buckingham and BAM are a single team handling orders related to Buckingham, BAM and investment advisors utilizing BAM's turnkey asset management services.

In certain circumstances, Buckingham and BAM exercise discretion to cross fixed income transactions between Buckingham client accounts and/or fixed income subadvised client accounts. Buckingham and BAM will effect cross trades in situations where it is determined that such transactions can be fairly priced for each account, it is judged to be in each client's best interest and where it believes that such transactions are appropriate based on each party's investment objectives and guidelines, subject to applicable law and regulation.

If a cross trade is advantageous for each client, Buckingham and BAM will seek to obtain at least three broker-dealer bids (or two bids plus another independent pricing source in the





unlikely event three bids are unavailable) and compare the bids to the marketplace. Upon receiving the bids and evaluating the marketplace for trading in the security, if it is still appropriate to cross the security, Buckingham and BAM will choose to cross the security with the broker-dealer providing the highest bid. Upon selecting the highest bid broker-dealer, Buckingham and BAM will pre-negotiate the markup / markdown fee, which provides one of the primary advantages for crossing the trade: the ability to greatly reduce the bid/ask spread on the security, allowing the client to benefit in the form of a higher yield on the bond. Buckingham and BAM may have a potentially conflicting division of loyalties and responsibilities regarding both parties to the transaction as both parties would be clients of Buckingham and/or BAM. However, Buckingham and BAM have adopted cross trades policies and procedures designed to manage these related conflicts. The policy establishes that a cross transaction may only be effected if the cross transaction provides a clear benefit to each participating client and further requires certain procedures are followed prior to the execution of the cross transaction.

Buckingham and BAM do not cross trades among any affiliated accounts and do not engage in any principal trades.

Where appropriate, as disclosed in Item 8, Buckingham may utilize interval funds in client portfolios. In limited circumstances, an interval fund may have a limited amount of capacity and may not be able to fulfill all purchase orders. In the event an interval fund purchase order is only partially filled, Buckingham would generally complete a pro-rata allocation for all clients participating in the purchase subject to a de minimis exception.

If an independent third-party separate account manager is utilized, that manager can have different brokerage practices and the client should review the disclosure documents and agreements of the utilized separate account manager.

### Trade Errors

In all circumstances involving trade errors caused by Buckingham, clients are "made whole." If the correction of the trade error by the firm results in a loss, Buckingham is responsible for that loss. Buckingham does not retain any client trade error gains.

In instances where multiple trades are corrected at the same time for the same event, the firm will net the results of each correction against each other. Gains received during these corrections may be used to offset losses resulting from other corrections within the total trade error correction.

Buckingham may also correct trade errors by reallocating a purchased security to another client(s) account(s) in situations in which Buckingham determines such allocation will be in the clients' best interest. Such reallocations might prevent Buckingham from incurring trade error losses.

### Employee Benefit Retirement Plan Services

Buckingham does not arrange for the execution of securities transactions as a part of this service for accounts held with retirement plan service providers. In such situations, transactions are executed directly through employee plan participation. For certain plans, however, Buckingham does arrange for execution of securities transactions for certain plans custodied with Fidelity, Schwab or TDA.



## Item 13 – Review of Accounts

### Investment Management Services

Account assets are supervised continuously and reviewed quarterly. Advisory personnel are assigned to each account. The review process contains each of the following elements:

- assessing client goals and objectives;
- evaluating the employed strategy(ies);
- monitoring the portfolio(s); and
- addressing the need to rebalance.

Additional account reviews can be triggered by any of the following events:

- a specific client request;
- a change in client goals and objectives;
- an imbalance in a portfolio asset allocation;
- market/economic conditions; and
- realizing tax losses in an account.

### Employee Benefit Retirement Plan Services

Plan assets are reviewed as necessary and according to the standards and situations described above for investment management service accounts.

BAM Retirement Solutions provides annual reports with fiduciary benchmarks to plan sponsors. BAM Retirement Solutions also provides quarterly information regarding investment returns and participant education that can be distributed by the sponsor or plan's administrator to the participants of the plan.

### Regular Reports Provided to Clients

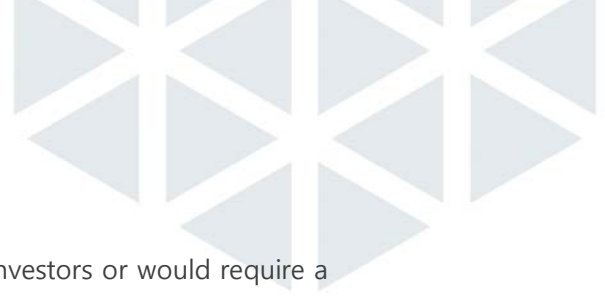
All clients other than those utilizing employee benefit retirement plan services will receive quarterly performance reports from Buckingham that summarize the client's account and asset allocation. Quarterly reports include portfolio performance review, current positions, billing statements, and current market value. Clients will also receive statements directly from independent qualified account custodians.

Clients utilizing Buckingham's employee benefit retirement plan services receive reporting services through their respective retirement plan service providers. For certain plans, however, Buckingham provides reporting services for certain plans custodied with Fidelity, Schwab or TDA.

## Item 14 – Client Referrals and Other Compensation

As indicated under the disclosure for Item 12, Buckingham utilizes the services of Fidelity (FIWS), Schwab (SAS) and TD Ameritrade (TDA). FIWS, SAS and TDA each respectively provide Buckingham with access to institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. The services include brokerage, custody, research, and access to mutual funds and other investments





that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

FIWS, SAS and TDA also make available to Buckingham other products and services that benefit Buckingham but might not benefit its clients' accounts. Some of these other products and services assist Buckingham in managing and administering clients' accounts. These include software and other technology 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); provide research, pricing information and other market data; facilitate payment of Buckingham's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. On occasion, these custodians also provide training and education to Buckingham and BAM associates to better interface with the custodial platforms and may occasionally provide business entertainment to Buckingham personnel. At times, these custodians will also pay for expenses (airfare and/or accommodations) associated with such training and education. Some of these same benefits are also available on the TIAA-CREF and AEGON platforms.

Many of these benefits and services generally are used to service all or a substantial number of Buckingham's accounts. Offered brokers also make available to Buckingham other services intended to help Buckingham manage and further develop its business enterprise. These services can include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing, and can also include discounts on compliance, marketing, research, technology and practice management products or services provided to Buckingham by third-party vendors. SAS also provides Buckingham with free access to Schwab Performance Technologies PortfolioCenter system, which is a technology solution for data management, portfolio accounting and portfolio reporting. This is a direct economic benefit to Buckingham to not pay for this technology solution. Buckingham does not enter into any commitments with any brokers for transaction levels in exchange for any services, products or economic benefits from brokers.

There is no direct link between Buckingham's participation in these programs and the investment advice it gives to its clients, though Buckingham receives economic benefits through its participation in the programs that are typically not available to retail investors. The benefits received by Buckingham through participation in the program do not depend on the amount of brokerage transactions directed to these custodians.

TDA, Enterprise Bank and The Business Bank have each individually hired independent contractors at no cost to Buckingham to set up technology systems to ensure compatibility with Buckingham and BAM operating systems. Neither Buckingham nor BAM have made any commitment to direct business to any of these companies as a result of this. This benefit provided by these entities benefits Buckingham and BAM and might not directly benefit Buckingham clients' accounts, which can create a conflict of interest.

Buckingham receives economic benefits from Fidelity that include direct payment to vendors of Buckingham for events, professional development, technology and external consultants ("Support Services"). These Support Services are valuable and are a substantial direct meaningful economic benefit to Buckingham. The Support Services also present a conflict of interest as Buckingham could have an incentive to recommend Fidelity for custodial, brokerage and other services or expand use of Fidelity services as a result of



these Support Services and other benefits provided by Fidelity. Without these Support Services, Buckingham would be required to purchase the same or similar services at its own expense. The fees that Buckingham charges will not be reduced by the value of the Support Services received. Fidelity provides the Support Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to Fidelity for the Support Services. Buckingham and Fidelity have entered into a separate agreement to govern the terms of the provision of the Support Services. Buckingham's receipt of Support Services does not diminish its duty to act in the best interests of its clients.

Buckingham also receives from TDA certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, these Additional Services are a substantial and meaningful direct payment for Buckingham's strategic vendor for portfolio accounting, portfolio reporting, client billing and data integration. TDA provides the Additional Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to TDA for the Additional Services. Buckingham and TDA have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Buckingham's receipt of Additional Services raises conflicts of interest. In providing Additional Services to Buckingham, TDA most likely considers the amount and profitability to TDA of the assets in, and trades placed for, Buckingham's client accounts maintained with TDA. TDA has the right to terminate the Additional Services Addendum with Buckingham, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TDA, Buckingham can have an incentive to recommend to its clients that the assets under management by Buckingham be held in custody with TDA and to place transactions for client accounts with TDA. Buckingham's receipt of Additional Services does not diminish its duty to act in the best interests of its clients.

Buckingham has received a direct economic benefit from Schwab in the form of direct payment to vendors for technology and external consultants ("Support Services"). These Support Services are valuable and are a substantial direct meaningful economic benefit to Buckingham, and also present a conflict of interest as Buckingham could have an incentive to recommend Schwab for custodial, brokerage and other services as a result of these Support Services and other benefits provided by Schwab. Without these Support Services, Buckingham would be required to purchase the same or similar services at its own expense. The fees that Buckingham charges will not be reduced by the value of the Support Services received. Schwab provides the Support Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to Schwab for the Support Services. Buckingham's receipt of Support Services does not diminish its duty to act in the best interests of its clients.

While as a fiduciary Buckingham endeavors to act in its clients' best interests, Buckingham's requirement that clients maintain their assets in accounts at Fidelity, Schwab or TDA could be based in part on the benefit to Buckingham of the availability of some of the foregoing products, services and economic benefits, including expense reimbursement or direct vendor payment and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which can create a conflict of interest.



FIWS, SAS and TDA also provide assistance to Buckingham's affiliate, BAM Advisor Services, by subsidizing events to assist BAM in recruiting independent registered investment advisor clients. Buckingham does not work with either FIWS or SAS to recruit investor clients for Buckingham.

Buckingham also receives software from Dimensional Fund Advisors (DFA), a mutual fund company whose products Buckingham recommends, which Buckingham utilizes in forming asset allocation strategies and producing performance reports. Fund companies like DFA, Bridgeway Capital Management (Bridgeway), AQR and Stoneridge also provide Buckingham and BAM assistance in the production of seminars, podcasts and educational events and, on limited occasions, provide customary business entertainment to Buckingham personnel.

On limited occasions, certain Buckingham professionals are invited by custodians, service providers, record-keepers, or fund companies to speak/present or attend a strategic planning meeting, that organizations conference or an industry conference for which that speaker or attendee will be reimbursed for travel expenses and receive a free conference attendance. This is an economic benefit for Buckingham to receive reimbursement for travel expenses and free attendance, however, neither Buckingham nor BAM have made any commitment to direct business to any of these companies as a result of the reimbursement of travel expenses and free conference attendance. In addition, speakers from Buckingham are offered an honorarium for speaking engagements, but it is the policy of Buckingham to direct the sponsor to donate such honorariums to a 501(c)(3) organization of Buckingham's choice.

DFA has also provided its own personnel and outside consultants for purposes of developing prospects for Buckingham and BAM, continuing education for Buckingham wealth advisors and BAM advisor clients and internal strategic planning for Buckingham and BAM. DFA, through a web-based service, provides referrals of investor clients to Buckingham. DFA makes such referrals to many investment advisors based on the geographic location of the prospective client.

Buckingham's website provides a link to Amazon.com and BarnesAndNoble.com for which Buckingham receives a fee for books purchased through that link.

Buckingham's affiliate, BAM Advisor Services, receives further promotional (sponsorship and exhibitor) fees from various entities in connection with educational and informational seminars and conferences. BAM Advisor Services offers seminars and conferences to independent investment advisors utilizing BAM Advisor Services' turnkey asset management services. Promotional fees for the seminars and conferences are paid by various entities, including broker-dealers and custodians through which Buckingham arranges client securities transactions, and third-party administration service providers that Buckingham recommends to certain retirement plans.

Adam Birenbaum, Buckingham's Chief Executive Officer, is a member of the FIWS Advisor Council. While Mr. Birenbaum is not directly compensated for his role on the Advisor Council, FIWS covers all routine and typical travel expenses for Advisor Council members to attend meetings, including hotel and transportation costs. Buckingham has made no commitments to FIWS in connection with this role.

Jeff Remming, Buckingham's Chief Innovation Officer, is a member of TDA's Advisor Panel. While Mr. Remming is not directly compensated for his role on the Advisor Panel, TDA covers all routine and typical travel expenses for Advisor Panel members to attend



meetings, including hotel and transportation costs. Buckingham has made no commitments to TDA in connection with this role.

As disclosed under Item 10, Buckingham's affiliate BAM/Loring Ward is the investment manager, administrator, and shareholder servicing agent of the SA Funds. In certain instances, particularly where a client becomes a client of Buckingham through a transaction, a client may be invested in one or more SA Funds. There are no sales commissions with respect to these client's accounts purchases or sales of the SA Funds, these accounts will not pay a redemption fee in connection with the sale of SA Fund shares unless the redemption fee is paid only to the Fund and the existence of the fee was disclosed in the Fund's prospectus in effect both at the time of the purchase of such shares and at the time of such sale and the Client's account will not pay any investment advisory fee, investment management fee or similar fee with respect to the account assets invested in the SA Funds. However, an SA Fund may pay an investment advisory fee to BAM/Loring Ward for managing and/or advising the SA Fund.

#### Payment of Referral Fees

Buckingham, from time to time, compensates, either directly or indirectly, any person (defined as a natural person or a company), including CPA firms, for client referrals. Buckingham has also entered into a solicitation agreement with a Focus Partner, LVW Advisors, LLC where LVW Advisors, LLC may solicit and refer clients to Buckingham for a referral fee. Buckingham will also compensate affiliated persons of Buckingham for client referrals. Clients should understand that these persons have an economic incentive to recommend the advisory services of Buckingham, however, any referral fees incurred for successful solicitations are paid solely from Buckingham's investment management fees, and do not result in any additional fees or charges to the client. Buckingham is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all required written instruments will be maintained by Buckingham and all applicable Federal and/or State laws will be observed.

Buckingham also receives client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Buckingham may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with Advisor, and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise Buckingham and has no responsibility for Buckingham's management of client portfolios or Buckingham's other advice or services. Buckingham pays TD Ameritrade an ongoing fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). Buckingham will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by Buckingham from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired Buckingham on the recommendation of such referred client. Buckingham will not charge clients referred through AdvisorDirect any fees



or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

Buckingham's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, Buckingham could have an incentive to recommend to clients that the assets under management by Buckingham be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, Buckingham has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Buckingham's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts. (See Item 13 for additional disclosures for Brokerage Practices.)

Buckingham also receives client referrals from Schwab through Buckingham's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. As previously disclosed, Schwab is a broker-dealer independent of and unaffiliated with Buckingham. Schwab does not supervise Buckingham and has no responsibility for Buckingham's management of clients' portfolios or Buckingham's other advice or services. Buckingham pays Schwab fees to receive client referrals through the Service. Buckingham's participation in the Service may raise potential conflicts of interest described below.

Buckingham pays Schwab a participation fee ("Participation Fee") on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Buckingham is a percentage of the fees the client owes to Buckingham or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Buckingham pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Buckingham quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Buckingham and not by the client. Buckingham has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Buckingham charges clients with similar portfolios who were not referred through the Service.

Buckingham generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Buckingham generally would pay in a single year. Thus, Buckingham will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Buckingham's clients who were referred by Schwab and those referred clients' family



members living in the same household. Thus, Buckingham will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Buckingham's fees directly from the accounts.

For accounts of Buckingham clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Buckingham's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Buckingham will only execute individual fixed income trades outside of Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, for individual fixed income securities, Buckingham may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Buckingham nevertheless acknowledges its duty to seek best execution of fixed income trades for client accounts.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the qualified custodian or bank that

holds and maintains clients' investment assets. Buckingham urges its clients to carefully review such statements and compare such official custodial records to the account statements that may be provided to you by Buckingham. Buckingham's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

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

For discretionary investment management accounts, Buckingham requires that the authority to determine which securities and the amounts of securities that are bought or sold be provided in writing. Any limitations on this discretionary authority shall be included in this written authority statement. Clients can change or amend these limitations but such amendments need to be submitted to Buckingham in writing. Discretion as an "investment manager" for certain retirement plans involves selecting available investments for the plan as well as creating model portfolios and making them available to participants.

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

The firm does not generally accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. Buckingham, however, may provide advice to clients regarding clients' voting of proxies.

In certain limited circumstances, however, Buckingham votes proxies as part of an advisor's role as trustee to a client. In such instances, the advisor will vote proxies in a manner consistent with the clients' stated goals. Those clients can obtain a copy of Buckingham's complete proxy voting policies and procedures by contacting Buckingham directly. Proxies that Buckingham votes on will always be voted in the best interest of the clients.





Clients should note that Buckingham will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients can direct Buckingham to transmit copies of class action notices to the client or a third party. Upon such direction, Buckingham will make commercially reasonable efforts to forward such notices in a timely manner.

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

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. Buckingham has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.