



## **N1 Advisors**

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This brochure provides information about the qualifications and business practices of Newton One Investments, LLC DBA N1 Advisors (“N1 Advisors”). If you have any questions about the contents of this brochure, please contact Scott Snyder at (302) 731-1326 or [ssnyder@n1advisors.com](mailto:ssnyder@n1advisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about N1 Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Summary of Material Changes

We are required to annually provide each client with this annual amended Disclosure Brochure. If there have been material changes to our brochure since our last annual amendment filing, we are required to inform you of those changes. Since the Firm's most recent annual amendment filing, dated March 26, 2019, the firm has revised this Disclosure Brochure throughout the document to reflect the firm's new brand name of N1 Advisors. In addition, Item 15 (Custody) has been amended to reflect custody resulting from asset transfer authorizations. **ANY QUESTIONS**: N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions regarding any issues discussed below in this Brochure.

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## **Advisory Business**

### General Information

Newton One Investments, LLC (DBA N1 Advisors) was formed in 2014 and provides financial planning, portfolio management and pension consulting services to its clients. Prior to 2014, Newton One Investments LLC operated as Newton One Advisors, LLC which was established in 2001.

At the outset of each advisory client relationship, N1 Advisors spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying a client's financial goals and objectives.

N1 Advisors provides portfolio management services based on the information gathered from clients. N1 Advisors generally develops with each client:

- investment portfolio for the client based on the client's financial circumstances and risk tolerance level (the "Client Profile");
- the client's investment goals and/or objectives (the "Investment Policy Statement [IPS]").

The Client Profile is a reflection of information as described above. The IPS outlines the types of investments N1 Advisors will make on behalf of the client to achieve their goals and/or objectives. The Profile and the Investment Plan are discussed regularly with each client, but are not necessarily written documents.

Clients may elect to retain N1 Advisors to prepare a financial plan. In certain cases, clients subsequently retain N1 Advisors to manage the investment portfolio on an ongoing basis.

### Portfolio Management

At the beginning of a client relationship, N1 Advisors meets with the client, gathers information and performs research and analysis as necessary to develop the client's IPS. The IPS will be updated from time to time when requested by the client, or when determined to be necessary or advisable by N1 Advisors based on updates to the client's financial or other circumstances.

To implement the client's IPS, N1 Advisors will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, N1 Advisors will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain reasonable written restrictions on N1 Advisors in the management of their investment portfolios, such as prohibiting specific security positions in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolios. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of N1 Advisors.

### Pension Consulting

N1 Advisors provides advisory services to various types of qualified retirement plans, including:

- Trustee Directed Plans. N1 Advisors may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, N1 Advisors will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 (“ERISA”). N1 Advisors will generally provide services on an “assets under management” fee basis per the terms and conditions of an Investment Advisory Agreement between the Plan and the Firm.
- Participant Directed Retirement Plans. N1 Advisors may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a Retirement Plan Services Agreement between N1 Advisors and the plan. For such engagements, N1 Advisors shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices, and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.
- Client Retirement Plan Assets. If requested to do so, N1 Advisors shall provide investment advisory services relative to the client’s 401(k) plan assets. In such event, N1 Advisors shall recommend that the client allocate the retirement account assets among the investment options available on the 401(k) platform. The client is exclusively responsible for making all transactions. N1 Advisors’ ability shall be limited to making recommendations regarding the allocation of the assets among the investment alternatives available through the plan. N1 Advisors will not receive any communications from the plan sponsor or custodian, and it shall remain the client’s exclusive obligation to notify N1 Advisors of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account.

### Financial Planning

One of the services offered by N1 Advisors is Financial Planning, described below. This service may be provided as a stand-alone service, or may be coupled with ongoing portfolio management.

Financial Planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design and ongoing management. Depending on a client’s particular situation, financial planning may include some or all of the following:

- Conducting retirement plan analysis
- Gathering information concerning the client's personal and financial situation
- Assisting the client in establishing financial goals and objectives
- Making recommendations to help achieve retirement plan goals and objectives
- Reviewing goals and objectives and measuring progress toward these goals
- Designing an investment portfolio to help meet the goals and objectives of the client
- Providing estate planning
- Assessing risk and reviewing long-term care, life, and disability insurance needs

Once Financial Planning advice is given, the client may choose to have N1 Advisors implement the client’s financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by N1 Advisors under a Financial Planning

engagement and/or engage the services of any recommended professional.

#### Principal Owners

Harold T. Hollinger is the principal owner of N1 Advisors. The Company has two additional partners, each with a minority ownership stake. Please see **Brochure Supplements**, Appendix A, for more information on Mr. Hollinger and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

#### Miscellaneous Disclosures

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent specifically requested by the client, N1 Advisors may also provide consulting services regarding non-investment related matters, such as estate planning and insurance, etc. N1 Advisors will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 “**Fees and Compensation**” below (exceptions may occur based upon assets under management, special projects, etc. for which Firm may charge a separate fee, or a stand-alone consulting engagement). **Please Note:** N1 Advisors does not serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, we do not prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of N1 Advisors in their separate individual capacities as representatives of M Holdings Securities, Inc. (“M Holdings”), an SEC registered and FINRA member broker-dealer and as licensed insurance agents of the Firm’s affiliated licensed insurance agency, Newton One, LLC. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from N1 Advisors and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, etc.), and **not** N1 Advisors, shall be responsible for the quality and competency of the services provided. **Please Also Note-Conflict of Interest:** The recommendation by an N1 Advisors representative that a client purchase a securities or insurance commission product from an N1 Advisors representative in his/her individual capacity as a representative of M Holdings and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any securities or insurance commission products from an N1 Advisors representative. Clients are reminded that they may purchase securities and insurance products recommended by N1 Advisors through other, non-affiliated broker-dealers and/or insurance agencies. **ANY QUESTIONS: N1 Advisors’ Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If N1 Advisors recommends that a client roll over their retirement plan assets into an account to be managed by N1 Advisors, such a recommendation creates a conflict of interest if N1 Advisors will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by N1 Advisors. **N1 Advisors’ Chief Compliance Officer, Scott Snyder remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Use of Mutual Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by N1 Advisors independent

of engaging N1 Advisors as an investment advisor. However, if a prospective client determines to do so, he/she will not receive N1 Advisors' initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through selected registered investment advisers. N1 Advisors maintains certain legacy positions in DFA funds and may add to such positions in the future. However, N1 Advisors will not establish new positions for clients in DFA funds. Upon the termination of N1 Advisors' services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. **Please Note:** In addition to N1 Advisors' investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may have regarding the above.**

**Schwab.** As discussed below at "***Brokerage Practices***," N1 Advisors recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting securities transactions. In addition to N1 Advisors' investment management fee, and transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by Schwab, as well as the charges imposed at the mutual fund and exchange traded fund level, are in addition to N1 Advisors' advisory fee referenced in "***Fees and Compensation***" below.

**Cash Positions.** Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), N1 Advisors may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the N1 Advisors' advisory fee. **ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective may have regarding the above fee billing practice.

**Portfolio Activity.** N1 Advisors has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, N1 Advisors will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, mutual fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when N1 Advisors determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by N1 Advisors will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing our services, N1 Advisors shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify N1 Advisors if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by N1 Advisors) will be profitable or equal any specific performance level(s).

**Disclosure Statement.** A copy of N1 Advisors' written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the Investment Advisory Agreement, Pension Consulting Agreement, and/or Financial Planning and Consulting Agreement.

### Type and Value of Assets Currently Managed

As of December 31, 2018, N1 Advisors managed \$219,720,544 on a discretionary basis.

## **Fees and Compensation**

### General Fee Information

Fees paid to N1 Advisors are exclusive of all custodial and transaction costs paid to the client's custodian, brokers, or other third party consultants. Fees paid to N1 Advisors are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, N1 Advisors and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

### Financial Planning Fees

N1 Advisors normally charges an hourly or flat fee for standalone financial planning services, which may be negotiable. The client will execute a Financial Planning Agreement that contains the agreed upon fee and terms of payment prior to commencement of Financial Planning services. Generally, Financial Planning fees are in addition to any other fees charged by N1 Advisors, account custodians, and others. Also, an N1 Advisors Investment Advisory Representative ("IAR") may act as the agent of record for transactions for a Financial Planning client and, in such cases, the IAR may receive commissions or other compensation at the time of sale and/or asset-based trail commissions from mutual funds, variable insurance products and/or private funds relating to a client's investment in such securities. Such compensation is in addition to the Financial Planning fee, and the amount of such compensation will be provided to a client upon request.

Financial Planning fees are due and payable either upon presentation of the plan, or as otherwise agreed at the time a Financial Planning Agreement is executed. The Financial Planning Agreement may be terminated by the client at any time, without penalty, prior to the completion of the plan by providing written notice to N1 Advisors. Upon termination, the client will be billed based upon any remaining balance due from the fixed fee agreed upon by the client. The client is entitled to any work product that has been completed by the IAR at the time of termination.

### Portfolio Management Fees

The negotiable annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1 million	0.95%
Next \$2 million	0.90%
Next \$2 million	0.80%
Next \$5 million	0.70%
Beyond \$10 million	0.50%

N1 Advisors does not impose a minimum annual fee. N1 Advisors may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where N1 Advisors deems it appropriate under the circumstances.

**Please Note:** N1 Advisors, in its sole discretion, may charge a lesser investment advisory fee and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.). **Please Also Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may



have regarding advisory fees.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made. Either N1 Advisors or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement.

#### Pension Consulting Fees

Pension consulting fees charged by N1 Advisors for plan design and consulting (e.g., Defined Benefit, Profit Sharing, Age-Weighted, etc.) are negotiable and generally range from \$1,500 to \$3,000 per plan. The same amount of fee may be charged by N1 Advisors for an annual review of the plan's design and structure. If N1 Advisors invests the plan's assets or is retained as Plan advisor, it charges either: (1) a negotiated flat fee; or, (2) a fee ranging from 0.25% to 1.00% of the value of the Plan's assets. Pension consulting fees are paid quarterly, in arrears or advance, as agreed upon by N1 Advisors and the client.

#### Other Compensation

N1 Advisors may also receive compensation in the following forms:

- i) Revenue from qualified plans that are affiliated with M Financial Group
- ii) Revenue sharing from solicitor arrangements

#### Securities Commission Transactions

Certain of N1 Advisors' representatives are also registered representatives of M Holdings Securities, an SEC registered and FINRA member broker-dealer ("M Holdings"). Through M Holdings, these representatives may conduct brokerage business for which they will receive normal and customary brokerage compensation (i.e., commissions and Rule 12b-1 fees) when they provide services through M Holdings.

The brokerage commissions and transaction fees charged by M Holdings may be higher or lower than those charged by other broker-dealers.

The recommendation that a client purchase a commission product from M Holdings presents a conflict of interest, as the receipt of brokerage compensation provides an incentive to recommend investment products based on the compensation to be received, rather than on a particular client's need. No client is under any obligation to purchase any product or service from M Holdings or through N1 Advisors' representatives. Clients may purchase investment products recommended by N1 Advisors and its representatives through other, non-affiliated broker dealers or agents.

When N1 Advisors' representatives sell an investment product on a commission basis through M Holdings, N1 Advisors does not charge an advisory fee on that product. When providing services on an advisory fee basis, N1 Advisors' representatives do not also receive brokerage compensation (i.e., commissions and Rule 12b-1 fees).

**ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer remains available to discuss any questions that a client or prospective client may have between the difference in services offered by N1 Advisors and M Holdings.

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

N1 Advisors does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because N1 Advisors has no performance-based fee accounts, it has no side-by-

side management.

## Types of Clients

N1 Advisors serves clients including individuals, retirement plans, corporations, and trusts.

## Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of Analysis

In accordance with the IPS, N1 Advisors will primarily invest in mutual funds, ETF's, and fixed income products. The relatively few individual equity positions held in accounts are generally purchased and/or held at the direction of the client.

Mutual funds and ETFs will be selected on the basis of a number of criteria, including, but not limited to: the fund's investment objectives, performance history, fee structure, the asset class and/or the industry sector in which the fund invests, the fund's investment management track record & tenure, and the client's tax situation. N1 Advisors uses a combination of quantitative and qualitative analysis tools at its disposal.

### Investment Strategies

N1 Advisors' strategic approach is to invest each portfolio in accordance with the IPS that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

### Risk of Loss

While N1 Advisors seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

**Management Risks.** While N1 Advisors manages client investment portfolios based on N1 Advisors' experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying mutual funds and other securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that N1 Advisors allocates assets to asset classes and/or investment managers that are adversely affected by unanticipated market movements, and the risk that N1 Advisors' specific investment choices could underperform their relevant indexes.

**Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.** As described above, N1 Advisors will invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds may be less risky than investing directly in individual securities because of their diversified portfolio holdings; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled

investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

***Equity Market Risks.*** N1 Advisors may invest portions of client assets directly into equity investments, primarily pooled investment funds that invest in equity markets. As noted above, while pooled investments have diversified portfolios that may make them less risky than direct investments in individual securities, funds that invest in equity securities are nevertheless subject to the risks. These risks include, without limitation, the risks that equity values will decline due to daily fluctuations in the markets, and that equity values will decline over longer periods (e.g., bear markets) due to general market declines in the equity prices for all companies, regardless of any individual security's prospects.

***Fixed Income Risks.*** N1 Advisors may invest portions of client assets directly into fixed income instruments (i.e. bonds, notes, certificates of deposits) or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in equity markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

***Foreign Securities Risks.*** N1 Advisors may invest portions of client assets into foreign securities or pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

***Please Note: Investment Risk.*** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by N1 Advisors) will be profitable or equal any specific performance level(s).

## **Disciplinary Information**

N1 Advisors has no disciplinary events to report.

## **Other Financial Industry Activities and Affiliations**

N1 Advisors employees may be registered representatives of a broker-dealer, M Holdings and licensed insurance agents of M Holdings and N1 Advisors' affiliated licensed insurance agency, Newton One, LLC. In their role as registered representatives and insurance agents, the employee may receive initial (and ongoing trail) commissions or other compensation for the sale of brokerage and/or insurance-related products to advisory clients of N1 Advisors.

Tom Hollinger, CEO of N1 Advisors, is a stockholder of M Financial Group, which is the parent company of M Holdings. As a stockholder, he shares in the profits of M Financial Group via periodic stock dividends. M Financial Group also maintains an Incentive Compensation Plan pursuant to which it annually distributes to Member Firms most of M Financial Group's consolidated net profits. Although distributions under the Plan are, to some extent, averaged among the various Member Firms, lines of

business, and cost centers of M Financial Group, a significant portion of plan distributions are made in proportion to the revenue that a Member Firm generates. Distributions of dividends and Incentive Compensation to Member Firms are in addition to compensation paid by unaffiliated insurance carriers and other financial service providers with respect to specific investment products. For more information on M Financial Group, please go to <https://mfin.com/disclosure>.

**Please Note-Conflict of Interest:** The recommendation by an N1 Advisors representative that a client purchase a securities or insurance commission product from an N1 Advisors representative in his/her individual capacity as a representative of M Holdings and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from an N1 Advisors representative. Clients are reminded that they may purchase securities and insurance products recommended by N1 Advisors through other, non-affiliated broker-dealers and/or insurance agencies. **ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

**Legacy Referral Compensation.** N1 Advisors has referred clients and other individuals to unaffiliated investment advisory firms. As a result of these referrals, N1 Advisors receives compensation in the form of a referral fee for referred clients who determine to engage the unaffiliated investment advisory firm to provide investment management services. Any referral fee received by N1 Advisors is included in the advisory fee charged by the unaffiliated investment advisory firm in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. N1 Advisors no longer refers clients to any other unaffiliated advisory firms for compensation.

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

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

N1 Advisors has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Clients interested in obtaining a copy of the Code should contact N1 Advisors' Chief Compliance Officer, Scott Snyder. N1 Advisors' Code has several goals. First, the Code is designed to assist N1 Advisors in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, N1 Advisors owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires N1 Advisors' associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for N1 Advisors' associated persons (managers, officers and employees). Under the Code's Professional Standards, N1 Advisors expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, N1 Advisors associated persons are not to take inappropriate advantage of their positions in relation to clients of N1 Advisors.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time N1 Advisors' associated persons may invest in the same securities recommended to clients. Under its Code, N1 Advisors has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities.

These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because associated persons may invest in the same securities as those purchased in client accounts, N1 Advisors has established a policy requiring its associated persons to pre-clear transactions in these securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CD's, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, N1 Advisors' goal is to place client interests first.

Consistent with the foregoing, N1 Advisors maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If an N1 Advisors associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with N1 Advisors' written policy.

## **Brokerage Practices**

In the event that the client requests that N1 Advisors recommend a broker-dealer/custodian for execution and/or custodial services, N1 Advisors generally recommends that investment advisory accounts be maintained at Charles Schwab & Co., Inc. ("Schwab"). Prior to engaging N1 Advisors to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with N1 Advisors setting forth the terms and conditions under which N1 Advisors shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that N1 Advisors considers in recommending Schwab (or any other broker-dealer/custodian to clients) include historical relationship with N1 Advisors, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by N1 Advisors' clients shall comply with N1 Advisors' duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where N1 Advisors determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although N1 Advisors will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. The transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, N1 Advisors' investment advisory fee.

#### Non-Soft Dollar Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, N1 Advisors can receive from Schwab (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist N1 Advisors to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by N1 Advisors can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer

hardware and/or software and/or other products used by N1 Advisors in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist N1 Advisors in managing and administering client accounts. Others do not directly provide such assistance, but rather assist N1 Advisors to manage and further develop its business enterprise.

N1 Advisors' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by N1 Advisors to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.

#### **Brokerage for Client Referrals**

N1 Advisors does not receive referrals from broker-dealers.

#### **Directed Brokerage**

N1 Advisors recommends that its clients utilize the brokerage and custodial services provided by Schwab. N1 Advisors generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and N1 Advisors will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by N1 Advisors. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs N1 Advisors to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through N1 Advisors. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

#### **Aggregated Trade Policy**

Transactions for each client account generally will be effected independently, unless N1 Advisors decides to purchase or sell the same securities for several clients at approximately the same time. N1 Advisors may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among N1 Advisors' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. N1 Advisors shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Review of Accounts**

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by N1 Advisors. Also, portfolios are reviewed upon client request or upon receipt of information material to the management of a client portfolio, such as a change in a client's

individual situation. Scott R. Snyder, N1 Advisors' Chief Investment Officer, reviews all accounts.

For those clients to whom N1 Advisors provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of N1 Advisors' investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, N1 Advisors provides a quarterly report for each managed portfolio. This report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

## **Client Referrals and Other Compensation**

As indicated in "**Brokerage Practices**" above, N1 Advisors can receive from Schwab without cost (and/or at a discount), support services and/or products. N1 Advisors' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. There is no corresponding commitment made by N1 Advisors to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. **ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.

N1 Advisors does not compensate unaffiliated individuals or entities for prospective client introductions.

## **Custody**

N1 Advisors shall have the ability to deduct its advisory fee from the client's custodial account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that N1 Advisors provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by N1 Advisors with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of N1 Advisors' advisory fee calculation.

N1 Advisors also provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from N1 Advisors to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

## **Investment Discretion**

As described above under "**Advisory Business**," N1 Advisors manages portfolios on a discretionary basis. This means that after an IPS is developed for the client's investment portfolio, N1 Advisors will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving N1 Advisors the authority to carry out various activities in the account. These activities generally include, but are not limited to the following: trade

execution, the ability to process distributions at the client's request, and the withdrawal of advisory fees directly from the account. N1 Advisors then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with N1 Advisors and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between N1 Advisors and the client.

## **Voting Client Securities**

As a policy and in accordance with N1 Advisors' client agreement, N1 Advisors does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact N1 Advisors with questions relating to proxy procedures and proposals; however, N1 Advisors generally does not research particular proxy proposals.

## **Financial Information**

N1 Advisors does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore has no disclosure for this Item.

**ANY QUESTIONS:** N1 Advisors' Chief Compliance Officer, Scott Snyder, remains available to address any questions regarding any of the above disclosures on this Brochure.