



# Dynamic Wealth Advisors<sup>TM</sup>

(DYNAMIC ADVISOR SOLUTIONS LLC)  
CRD #151367

## Firm Brochure

Effective: March 31, 2019

**Dynamic Wealth Advisors**  
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**Phoenix, AZ 85016**  
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Dynamic Advisors Solution LLC is the legal name of the Firm. Dynamic Wealth Advisors (“Dynamic”) is the primary name under which we conduct our advisory business. Dynamic is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. While Dynamic may refer to itself as a “registered investment adviser” or “RIA” client should be aware that registration itself does not imply any level of skill or training. Additional information about Dynamic and its investment advisor representatives (“Financial Advisors”) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Firm Brochure (“Brochure”) provides information about the qualifications and business practices of Dynamic Wealth Advisors (“Dynamic”) and the nature of the advisory services that should be considered before becoming an advisory client of Dynamic. If you have any questions about the contents of this Brochure, please contact us at: [Compliance@DynamicWealthAdvisors.com](mailto:Compliance@DynamicWealthAdvisors.com)

## Item 2: Material Changes

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The Material Changes section of this brochure is updated to report any “material” changes to the previous version of Form ADV, Part 2A (the Firm Brochure). The section below provides a summary of those changes since the last update.

The following changes have been made to this to this brochure since its last update on July 26, 2018:

- Item 4: Advisory Services  
Assets under management was updated to reflect December 31, 2018 numbers

In addition, other information not specified in this summary has been revised. Consequently, we encourage you to read this Brochure in its entirety.

## Item 3: Table of Contents

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Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Services .....	4
Item 5: Fees and Compensation .....	8
Item 6: Performance-Based Fees .....	11
Item 7: Types of Clients .....	11
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....	13
Item 9: Disciplinary Information .....	15
Item 10: Other Financial Activities and Affiliations .....	15
Item 11: Code of Ethics, Participation in Client Transactions, and Personal Trading .....	17
Item 12: Brokerage Practices .....	18
Item 13: Review of Accounts .....	19
Item 14: Client Referrals and Other Compensation .....	21
Item 15: Custody .....	21
Item 16: Investment Discretion .....	22
Item 17: Voting Client Securities .....	22
Item 18: Financial Information .....	22

## Item 4: Advisory Services

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Dynamic is an investment adviser registered with the SEC. Dynamic was founded in 2008 as a Delaware limited liability company. Dynamic Management LLC, an Arizona limited liability company, owns 100% of Dynamic.

### **Investment Advisory Services**

Dynamic offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, pension plans, profit sharing plans and businesses (each referred to as a “Client” or “You”) through affiliated investment advisor representatives (“Financial Advisors”).

Dynamic’s investment strategies are primarily long-term focused, but Financial Advisors may, in certain circumstances, buy, sell, re-allocate or rebalance positions that have been held less than one year to meet a Client’s objectives or due to market conditions. Prior to rendering investment advisory services, Financial Advisors ascertain your financial situation, risk tolerance, and investment objectives.

Financial Advisors may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Financial Advisors may recommend specific positions to increase sector or asset class weightings. Financial Advisors may recommend employing cash, options, or inverse ETF positions as possible hedges against market movement, which may adversely affect the portfolio. Financial Advisors may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the positions in the portfolio, change in a Client’s risk tolerance, generating cash to meet a Client’s needs, or any risk deemed unacceptable for a Client’s risk tolerance.

You should immediately advise your Financial Advisor if your investment objectives or risk tolerance changes, or other factors change that may affect the proper positioning of your portfolio.

Your participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of your account. Your Financial Advisor and Dynamic shall rely on the financial and other information provided by you or your designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is your responsibility to inform your Financial Advisor or Dynamic of any changes in financial condition, goals or other factors that may affect this analysis. The Financial Advisor will work with you to determine your tolerance for risk as part of the asset allocation and portfolio construction process.

### **Dynamic Investment Management Accounts**

Dynamic and Clients enter into an Investment Management Agreement (“IMA”) to provide Dynamic with discretion to manage one or more Client accounts. Financial Advisors work with you to identify your investment goals and objectives as well as your risk tolerance and financial situation. Investment strategies consider your specific needs and are implemented using the investment options most appropriate for you. Your Financial Advisor may develop an asset allocation or a targeted investment strategy for you, as appropriate.

Financial Advisors construct Client portfolios utilizing various types of securities based upon your investment goals and risk tolerance. Dynamic may use individual equity and fixed income securities, mutual funds, exchange-traded funds (“ETFs”), and options as necessary to achieve your investment goals. Individual equity securities may include domestic and international securities covering all market capitalizations. Fixed income securities may include corporate debt securities, U.S. government securities, municipal securities, foreign debt, and short-term instruments. Investments in tradable or non-tradable real estate investment trusts (“REITs”),

limited partnerships and non-security investments may be recommended, if appropriate, for certain Client portfolios.

### **Dynamic Advisor Support Solutions**

Dynamic also provides services to unaffiliated registered investment advisors, including an integrated technology platform to efficiently operate their advisory practices, a range of investment management solutions, compliance support and related services, client account aggregation and consolidated reporting through an online portal, and the ability to service Clients utilizing various asset custodians.

### **Dynamic Sub-Advisory Services**

Dynamic provides sub-advisory services to unaffiliated registered investment advisors. Such services include the design and implementation of investment models for their client accounts, and periodic rebalancing, re-allocating, trading and reporting. Under these arrangements, unaffiliated registered investment advisors select the investment model based upon their clients' financial situation, objectives, risk tolerance and other factors. Unaffiliated registered investment advisors are responsible for maintaining current client information to ensure appropriate investment models are selected for their clients. Dynamic charges fees to unaffiliated registered investment advisors for these services as described in the "Fees and Compensation" section herein below.

### **Financial Planning, Consulting, and Non-Discretionary Services**

Certain Financial Advisors provide a variety of planning services to individuals and families, pursuant to a written Financial Planning or Non-Discretionary Advisory Agreement with Dynamic. Generally, such financial planning services involve preparing a financial plan or rendering a financial consultation for you based upon your financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of your financial situation. A financial plan developed for you or financial consultation rendered to you usually includes general recommendations for a course of activity or specific actions to be taken by you. For example, recommendations may be made that you initiate or revise your investment programs, commence begin or alter retirement savings, establish education savings and/or charitable giving programs. The financial planning agreement may be for a specific project, a specified period or on-going, depending upon your situation, goals, objectives and other factors.

Financial Advisors may also refer you to an accountant, attorney, or another specialist, as appropriate for your unique situation. For certain financial planning engagements, Financial Advisors generally provide a written summary of your financial situation, observations, and recommendations. For consulting or ad-hoc engagements, your Financial Advisor may not provide a written summary depending on the arrangement.

You are not obligated to implement any recommendations made by your Financial Advisor and your Financial Advisor is in no way responsible for ensuring you do so.

### **Sub-advisors**

Some of our Financial Advisors utilize third-party managers to sub-advise your accounts if you need or are seeking a specific type of investment management or strategy. Sub-advisors provide investment allocation and securities selection and may execute securities transactions in your accounts pursuant to an agreement with Dynamic and your IMA. Financial Advisors advise you in establishing investment objectives, and work with the third-party manager to ensure an investment strategy meets those objectives. You are provided with the third-party manager's Form ADV Part 2 (or a brochure such as this).

### **Third-party Account Managers**

Some of our Financial Advisors may recommend to you that all or a portion of your portfolio be implemented by utilizing one or more unaffiliated money managers. This involves entering into an IMA with Dynamic and a separate agreement with a third-party manager. The Financial Advisor advises you in establishing investment

objectives for the account, the selection of the third-party manager, and defining any restrictions on the account. Financial Advisors continue to provide management oversight of your account and ongoing monitoring of the activities of the third-party manager. You are provided with the third-party manager's Form ADV Part 2 (or a brochure such as this one).

### **Outside Accounts**

Some of our Financial Advisors also manage and recommend allocations as well as provide consolidated reporting for Outside Accounts as such sub accounts of variable annuities, fixed annuities, 401ks, REITs and other similar accounts. Generally, these accounts are not held by a custodian is holding other accounts managed by Dynamic and Financial Advisors. Outside Accounts may be included in the accounts on the IMA and subject to an Investment Advisory Fee, if applicable (See "Fees and Compensation" section herein below).

### **Employee Retirement Income Security Act ("ERISA")**

Dynamic may authorize certain of its Financial Advisors to provide fiduciary or non-fiduciary services to ERISA plans. ERISA plan documents typically designate one of more persons, such as the plan trustee, to undertake fiduciary responsibility for the operation of, and take actions on behalf of, the plan. Such persons are known as Responsible Plan Fiduciaries ("RPFs"). Financial Advisors may provide the following services to ERISA plans:

- Assessment and Selection of Investments
- Investment Policy Statement Development
- Non-ERISA Fiduciary Services
- Investment Policy Statement Review
- Performance Monitoring
- Employee Enrollment and/or assistance
- Employee Education
- Vendor Review and Conversion

### **Dynamic Total Fiduciary Solutions**

Dynamic makes available a qualified retirement plan program to Financial Advisors and other third-party advisors for sponsors of qualified retirement plans ("Dynamic Total Fiduciary Solutions"). Dynamic Total Fiduciary Solutions includes the coordination and management of ERISA plan services and consists of a fiduciary-based investment management process and asset allocation models that include passive and active mutual funds and exchange traded funds. Dynamic and certain sub-advisors serve as ERISA Section 3(38) Investment Manager. Plan sponsors have the option to offer self-directed brokerage accounts. The program emphasizes the desired outcomes of retirement plan participants.

The investments are maintained in accounts held by unrelated custodians. Dynamic facilitates arrangements with third-party record keepers and administrators of plan assets, professional fiduciaries, and other retirement plan service providers. Dynamic and such plan sponsors enter into an agreement for services which details the services, and obligations of Dynamic, Financial Advisor and the plan sponsors.

### **Research and Investment Models Services**

Certain Financial Advisors provide investment research and investment models to other investment advisors and individual investors ("Research Subscribers"). Research Subscribers receive periodic updates to a list of stocks and investment models. Research Subscribers are responsible for the implementation and use of the research, including making their own investment purchase and sale decisions, trade execution and management of their accounts. Research Subscribers do not enter into Investment Management Agreement with Dynamic nor do they receive personal investment advice from Dynamic or Financial Advisors.

Financial Advisors construct, implement and monitor your portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance that you have agreed to. You have the ability to place reasonable restrictions on the types of investments to be held in your respective portfolio, subject to the acceptance by the Financial Advisor and Dynamic.

**Assets Under Management**

As of December 31, 2018, total assets under management were \$1,451,242,875; with discretionary assets under management of \$ 1,298,701,687 and non-discretionary assets under management of \$152,541,188

## Item 5: Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management. You are required to sign an IMA with Dynamic which details the fees payable to each.

### **Dynamic Investment Management Account Fees**

Investment Advisory Fees are paid quarterly, in advance, pursuant to the terms of the IMA, unless otherwise agreed to in writing by you and Dynamic. Investment Advisory Fees are generally determined by the Financial Advisors and are based upon the market value of all the assets subject to an IMA at the end of the preceding quarter.

Investment Advisory Fees may range up to 2.25% annually depending on the type and complexity of the investment management strategy employed as well as the size of your account(s). Generally, larger accounts, or accounts with less complexity may be offered a lower Investment Advisory Fee relative to fees generally assessed by a Financial Advisor. Certain accounts may be charged higher Investment Advisory Fees based on complex situations, including, but not limited to, accounts with multiple investment objectives, multiple underlying registrations, or aggressive growth strategies and/or accounts which require active trading to achieve your objectives. Investment Advisory Fees may be negotiable at the discretion of Financial Advisors. Each of Dynamic's Financial Advisors utilize different fee schedules, so you may pay higher or lower fees depending upon the Financial Advisor you choose.

All securities held in accounts managed by Dynamic and Financial Advisors are independently valued by the custodian or other third-party pricing services. Dynamic does not have the authority or responsibility to value portfolio securities. Investment Advisory Fees are deducted from your Account by the custodian as requested by Dynamic. You provide written authorization permitting Dynamic to be paid directly from accounts held by the custodian as part of the IMA and separate account forms required by the custodian. Dynamic sends an invoice to the custodian indicating the amount of the fees to be deducted from your account. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to your total account assets at the end of preceding quarter.

Fees can be primarily structured in one of the following ways:

1. Blended Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges;
2. Breakpoint Management Fee: Total fee is calculated based upon total asset value times fee percentage of highest total asset value range; or
3. Flat Management Fee: Total fee is calculated based upon sum of asset value times fee percentage in all asset ranges.

Investment Advisory Fees in the initial quarter of service will be prorated to include the number of days in the previous quarter your account(s) was managed. Additional contributions to accounts may be charged a prorated fee pursuant to your IMA. You may request a quarterly fee statement, generated by Dynamic's portfolio management system, showing the Investment Advisory Fees charged by account and the annual Investment Advisor Fee used to derive such fees. You also receive, at least quarterly, a statement from the custodian reflecting the deduction of the Investment Advisory Fee (please note: usually this is coded as a "management fee" by the custodian). It is your responsibility to verify the accuracy of these fees as listed on the custodian's brokerage statement as neither the custodian nor Dynamic assume this responsibility.

### **Termination Fees**

You may request to terminate your IMA with Dynamic, in whole or in part, by providing advance written notice. You shall be responsible for Investment Advisory Fees up to and including the effective date of termination.



Dynamic will refund any unearned, prepaid fees based on the number of days remaining in the quarter from the day following the effective date of termination to the end of the quarter. Dynamic may assess a Termination Fee of up to \$50.00 per account to cover administrative expenses related to account closures. If assessed, the Termination Fee shall be deducted from any refund due for unearned, prepaid fees. Your IMA with Dynamic is non-transferable and cannot be assigned to another advisor without your written consent.

### **Dynamic Advisor Support Solutions Fees**

Advisors that contract with Dynamic to provide support services to their firm pay Dynamic based upon the amount of assets on Dynamic's platform and the type of services provided. The fees range up to .40% of assets annually. In most cases, advisors also pay technology charges ranging from \$250 to \$400 per month per user.

### **Dynamic Sub-Advisory Services Fees**

Dynamic charges unaffiliated registered investment advisor's fees for performing certain Sub-Advisory Services for their client accounts. Fees are generally based upon a percentage of the total assets under sub-advisory arrangements with Dynamic, and generally range from .10% to .40% annually. Fees for Dynamic Sub-Advisory Services may be passed onto clients in certain situations. Clients of unaffiliated registered investment advisors should consult with their advisor and read their advisor's Form ADV Part 2.

### **Dynamic Financial Planning, Consulting, and Non-Discretionary Advisory Services Fees**

Dynamic offers financial planning or non-discretionary advisory services on a fixed rate or hourly basis. The hourly rate generally ranges from \$150 to \$500 per hour and fixed fees may range from \$1,000 to \$20,000 per project, depending on the nature and complexity of the specific services involved in each certain engagement. Fixed fee engagements are based on the estimated hours to complete the deliverable for the engagement. You may also be charged for any out of pocket expenses, such as, postage, copying, etc. involved with the engagement. Fixed fees are due upon receipt, unless you and your Financial Advisor specifically agree otherwise. If you are billed on a quarterly basis and/or upon completion of work performed, you may be required to provide an advance payment of up to 50% of the expected cost of the financial plan. These fees may be negotiated by the Financial Advisor at his or her sole discretion.

Financial Advisors may charge Clients on a fixed retainer fee basis (e.g., \$2,500 per quarter). The fixed retainer fee arrangement may include discretionary or non-discretionary investment management. Fixed retainer fees are generally billed quarterly in advance, unless you and your Financial Advisor specifically agree otherwise. Fixed retainer fee arrangements generally range from \$1,000 to \$20,000 per year, depending upon several factors including, but not limited to the scope of work in the Agreement, the type of amount of Client assets and/or net worth, and on the nature and complexity of the specific services involved in each engagement. Fixed retainer fee engagements are reviewed annually with Clients to review the engagement and renew, if applicable.

Whether you implement any investment recommendations resulting from the financial planning services provided by your Financial Advisor is entirely your decision. If you implement recommendations, you may do so through the financial professional of your choice. If you implement recommendations through your Financial Advisor, Dynamic and your Financial Advisor will receive compensation for the services provided in conjunction with that implementation. Certain Financial Advisors are also licensed to sell insurance products and are compensated with commissions for recommending insurance solutions to you as part of your financial plan.

You may terminate a planning or fixed retainer fee agreement at any time by providing written notice to Dynamic. In the event, you wish to cancel the agreement under which any plan or service is being provided. Any unearned fees will be returned to you.

**Fees for Sub-advisors**

The fees for sub-advisors are paid from Investment Advisory Fees Dynamic charges as outlined above. In certain instances, you may pay higher Investment Advisory Fees to Dynamic if a sub-advisor is used. Total Investment Advisory Fees shall not exceed 2.25% per year, including the sub-advisor.

**Fees for Third-party Account Managers**

If you are using a third-party manager under a separate agreement, you will pay Dynamic's Investment Advisory Fee plus the third-party manager's fee. Both fees are deducted from your account, with Dynamic's Investment Advisory Fee paid as outlined above. The third-party manager's fee is usually calculated in the same manner and charged quarterly. The amount of the third-party manager's fee is disclosed in the separate agreement between you and the third-party manager and in the third-party manager's Form ADV 2 (or similar disclosure as this). Investment Advisory Fees plus the third-party manager's fee shall not exceed 2.25% annually.

In the event that you decide to terminate your relationship with a third-party manager, the provisions for termination are set forth in the respective agreements between you and such certain third parties. Dynamic and your Financial Advisor will assist you with the termination and transition process, as appropriate.

**Fees for Outside Accounts**

Financial Advisors may also manage and recommend allocations, as well as provide consolidated reporting for Outside Accounts as such sub-accounts of variable annuities, fixed annuities, 401ks, REITs and other similar accounts generally not held by a custodian of other Client securities managed by Dynamic and Financial Advisors. If included as managed accounts in an IMA, Outside Accounts are subject to an Investment Management Fee as described above. Investment Advisory Fees for Outside Accounts may range up to 2.25% annually, depending upon several factors, including the size of accounts managed and type of assets held within the accounts.

**ERISA Fees**

Fees charged for ERISA fiduciary or non-fiduciary services are agreed upon between the plan sponsor, Dynamic and Financial Advisor. Fees may be based on a percentage of plan assets per year, hourly charges, or a fixed fee. All fees are detailed in an Investment Management Adoption Agreement ("IMAA") between the plan fiduciaries, and Dynamic. Dynamic may assess a Termination Fee of up to \$50.00 per ERISA account to cover administrative expenses related to account closures. If assessed, the Termination Fee shall be deducted from any refund due for unearned, prepaid fees.

**Dynamic Total Fiduciary Solutions Fees**

Dynamic's Fees for Total Fiduciary Solutions generally range from .10% to 1.20% of the plan assets, depending upon the total plan assets. All Dynamic's fees are detailed in the IMAA. All plan fees are detailed in a separate disclosure provided to plan sponsors.

**Research and Investment Models Services**

Fees for research and investment models offered by certain Financial Advisors range from \$50 to \$2,500 per month, based upon the amount of research and number of investment models purchased. Fees for Research Subscribers are billed and payable monthly.

**Clearing, Trading, and Settlement Costs**

The investment management fee charged by the Firm does not include commission charges, mark-up or mark-down charges resulting from securities transactions affected with or through broker-dealers on the client's behalf. The costs of clearing, settlement, and trading of Dynamic Investment Management Accounts are billed separately by the custodian holding your accounts (See "Brokerage Practices" section herein below).

### **Other Fees and Expenses**

You may incur certain fees or charges imposed by third parties, other than Dynamic, in connection with investments made on behalf of your account. You are responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by Dynamic is separate and distinct from these custodian and execution fees. In addition, all fees paid to Dynamic are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. You may be able to invest in some of these products directly, without the services of Dynamic, but would not receive the services provided by Dynamic. These services are designed, among other things, to assist you in determining which products or services are most appropriate to your risk tolerance, financial condition, and objectives.

### **Compensation for Sales of Insurance Products**

Certain Financial Advisors are engaged in professions other than providing financial planning and investment advice for which they receive additional compensation. They may be licensed to sell insurance products through various insurance companies that are unaffiliated with Dynamic. Any such transactions result in the receipt of commissions and other compensation to the Financial Advisor.

The insurance product sales create a conflict of interest since there is an incentive to recommend such products based upon the commissions and other compensation paid by insurance companies to Financial Advisor rather than based upon a client's needs. Dynamic has policies and procedures in place to address the conflicts of interest with disclosure, including the information contained herein and on Financial Advisors' Form ADV2B.

As a Dynamic Client, you are under no obligation to utilize the services of your Financial Advisor in the purchase or sales of other products, including insurance. Commissions and other compensation received by your Financial Advisor for insurance product sales do not reduce advisory fees paid to Dynamic. It is the client's ultimate responsibility to determine whether insurance products being offered to them are appropriate investment products.

## **Item 6: Performance-Based Fees**

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Dynamic does not charge performance-based fees for its investment advisory services. The fees charged by Dynamic are as described above and are not based upon the capital appreciation of the funds or securities you hold.

Dynamic does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund).

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

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### **Investment Advisory Services**

Dynamic, through Financial Advisors, offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, pension plans, profit sharing plans, businesses and other investment advisors who sponsor investment management programs. Dynamic generally does not impose a minimum account size for establishing a relationship, however, some of our Financial Advisors may require minimum total client assets to establish a relationship.

**Advisor Support Solutions**

Dynamic offers back office support and technology solutions to other independent financial advisors and registered investment advisors for a fee.

**ERISA Clients**

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Dynamic may be a fiduciary to the plan. In providing our investment management services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

Dynamic will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we receive by such clients.

Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by Dynamic; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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

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### Methods of Analysis

Dynamic and its Financial Advisors primarily employ fundamental and technical analysis methods in developing investment strategies for you.

Fundamental analysis is a method of evaluating a company that has issued securities by attempting to measure the value of its underlying assets. This involves researching overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earning, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the company's securities to determine whether to purchase, sell or hold those securities.

Technical analysis is a method of evaluating securities by analyzing statistics associated with market activity, such as past prices and trading volume. Technical analysis involves using charts and other tools to identify patterns that can suggest future performance. Research and analysis is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Dynamic Financial Advisors generally employ a long-term investment strategy for their Clients, consistent with their financial goals. Financial Advisors may typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting your cash needs. At times, Financial Advisors may also buy and sell positions that are more short-term in nature, depending on your goals and/or the fundamentals of the security, sector or asset class.

### Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. You should be prepared to bear the potential risk of loss. Financial Advisors will assist you in determining an appropriate strategy based on your tolerance for risk and other factors noted above. However, there is no guarantee that you will meet your investment goals. Your engagement will entail a review of your investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing your account.

All investments have certain risks. Investing in securities involves the risk of loss, including the principal amount invested, and clients should be prepared to bear this loss. Below is a more complete discussion of the types of risks inherent in the securities and investment techniques referenced above. The value of the securities held in portfolios may fluctuate because of these risks. Dynamic's investment strategies may be subject to the following principal investment risks:

- **Market Risk.** The price of any security, including ETFs, equities, bonds or mutual funds may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Options Contracts.** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.
- **Margin Borrowings.** The use of short-term margin borrowings may result in certain additional risks to you. For example, if securities pledged to brokers to secure your margin accounts decline in value, you could be subject to a "margin call", pursuant to which you must either deposit additional funds

with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

- **Short Sales.** A short sale involves the sale of a security that you do not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, you must borrow the security and are obligated to return the security to the lender, which is accomplished by a later purchase of the security. You realize a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which you recover its short position, (i.e., purchases the security to replace the borrowed security). A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.
- **Foreign Risk.** Investing in foreign stocks can be riskier than U.S. stock investments. Foreign stocks tend to be more volatile and less liquid than U.S. stocks. The prices of foreign stocks and the prices of U.S. stocks may move in opposite directions. There is also a chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of securities issued by companies in foreign countries or regions.
- **Interest Rate Risk.** Security price and total return will vary in response to changes in interest rates. If rates increase, the market value of bonds generally will decline, as will the value of your investment. Securities with longer maturities tend to produce higher yields, but are more sensitive to changes in interest rates and are subject to greater fluctuations in value.
- **Credit Risk.** A bond issuer's credit rating may change, which can cause price volatility, and in the case of a credit rating downgrade, lower prices.
- **Call Risk.** Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- **Inflation Risk.** Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices. Inflation-indexed securities such as Treasury Protection Securities (TIPS) are structured to limit inflation risks.
- **Bond Market Risk.** The risk that the bond market as a whole would decline, bringing the value of individual securities down with it regardless of their fundamental characteristics.
- **Default Risk.** The possibility that a bond issuer will be unable to make interest or principal payments when they are due. If these payments are not made according to the agreements in the bond documentation, the issuer can default.
- **Liquidity Risk.** Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

### **Financial Planning - Risks**

The tools Dynamic uses for incidental financial planning rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use

estimates of future returns of asset classes, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Financial Advisors and the client in developing an appropriate plan. Dynamic cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

There are conflicts of interest when we provide financial planning recommendations and offer investment advisory services. In addition, some Financial Advisors provide insurance services as well as financial planning recommendations, which also creates conflicts of interest. These conflicts of interest are disclosed to each client in the Dynamic's ADV Part 2A – Firm Brochure, and the Financial Advisor's ADV 2B. You are not obligated to implement any recommendations made by your Financial Advisor and your Financial Advisor is in no way responsible for ensuring you do so.

### **Third Party Managers and Sub-advisors - Risks**

As stated above, Dynamic may select certain third-party managers or sub-advisors to manage a portion of its clients' assets. In these situations, Dynamic continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the managers' ability to successfully implement their investment strategies. In addition, Dynamic generally may not have the ability to supervise the managers on a day-to-day basis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that you should understand and be willing to bear. You are reminded to discuss these risks with your Financial Advisor.**

## **Item 9: Disciplinary Information**

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Neither Dynamic nor its employees have been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of the Firm or its personnel.

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

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### **Advisor Support Solutions**

In addition to providing advisory and related services to you, Dynamic provides unaffiliated registered investment advisors with practice support, including technology platforms, back office support, compliance support and other business services. These services represent approximately 20% of the business time of Dynamic.

### **Outside Business Activities of Financial Advisors**

Certain Financial Advisors are engaged in other professions in addition to providing financial planning and investment advice for which they receive additional compensation. They may be licensed to sell insurance products through various insurance companies that are unaffiliated with Dynamic. As a Dynamic Client, these products are offered separate and apart from your Financial Advisor's relationship with Dynamic. You are

under no obligation to utilize the services of your Financial Advisor in the purchase or sales of other products including securities, insurance, annuities, commodities, or futures products.

Any such transactions you effect through a Financial Advisor will result in the receipt of commissions and other compensation in addition to any Investment Advisory Fees as discussed above. The commissions and other compensation from the sale of other products do not offset the regular advisory fees charged to client accounts managed by Dynamic. It is the client's ultimate responsibility to determine whether other products being offered to them are appropriate investment products.

### **Sungarden Fund Management**

Certain Financial Advisors of Dynamic are also affiliated with Sungarden Fund Management, LLC ("SFM"). SFM is an SEC registered Investment Adviser (CRD #283809 / SEC #801-107914) and acts as a sub-advisor to a registered investment company. Clients of Dynamic may be solicited to invest in this offering. Clients should be aware that such activities create a conflict of interest, in that Dynamic has incentive to solicit Client investment because an affiliate of the firm is paid for acting as a sub-advisor to the fund as well as the firm being paid by the Client to manage their assets. Further, there could be the possibility for conflicts of interest due to potential trade conflicts between accounts managed by Dynamic and certain Financial Advisors and the fund sub-advised by SFM.

Should a client of Dynamic invest in the Dunham Alternative Dividend Fund sub-advised by SFM, Dynamic will waive any fees associated with such investment for client accounts of Dynamic managed by Financial Advisors associated with SFM.

### **Advisors to Qualified Retirement Plans**

In the course of serving as advisor to qualified retirement plans, Dynamic or Financial Advisors may introduce other service providers to retirement plan sponsors if they believe they may benefit from such services. Such providers include record keepers, third-party administrators and other fiduciaries. Dynamic does not receive a fee or other compensation for making such introductions.

Dynamic and its Financial Advisors are committed to acting in your best interests at all times. Financial Advisors will aim to explain to you the specific costs associated with any investments recommended and you have no obligation to purchase investments or insurance products or to implement any financial plan recommendations through a Financial Advisor.

### **Financial Advisors affiliation with outside broker/dealers**

With approval from Dynamic's CEO and CCO, certain Financial Advisors may also be registered with unaffiliated broker/dealers as Registered Representatives. These brokerage services are offered separate and apart from your Financial Advisor's relationship with Dynamic, and Dynamic is not responsible to supervise these activities. You are under no obligation to utilize the services of your Financial Advisor in the purchase or sales of other products including securities, insurance, annuities, commodities, or futures products.

Any such broker/dealer transactions you effect through a Registered Representative will result in the receipt of commissions and other compensation, in addition to any Investment Advisory Fees as discussed above. The commissions and other compensation from the sale of other products do not offset any Investment Advisory Fees charged to client accounts managed by Dynamic. It is the client's ultimate responsibility to determine whether other products being offered to them are appropriate investment products. See your Financial Advisor's ADV2b for more information about brokerage services, if applicable.

### **Commodity Pool Operator, Commodity Trading Advisor, Futures Commission Merchant Registration**

Dynamic is neither registered nor has an application pending to register with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant ("FCM"), a commodity pool operator ("CPO") or a commodity trading advisor ("CTA") or have any application pending to be registered with respect to any of the foregoing.



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

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### **Code of Ethics**

Dynamic has implemented a Code of Ethics to define our fiduciary commitment to you. This Code of Ethics applies to all persons associated with Dynamic. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Dynamic and its personnel owe a duty of loyalty, fairness, and good faith to you. It is the obligation of Dynamic associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code of Ethics.

The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings, and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV, managing conflicts of interest, and supervisory procedures. Dynamic has established its Code of Ethics to meet and exceed regulatory standards. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **Personal Trading and Conflicts of Interest**

Dynamic allows Financial Advisors and our personnel to purchase or sell the same securities that may be recommended to and purchased on your behalf. Owning the same securities we recommend to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures.

As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. At no time, will Dynamic or any associated person of Dynamic, transact in any security to your detriment.

## Item 12: Brokerage Practices

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### **Recommendation of Custodians**

Dynamic and its Financial Advisors generally recommend Clients use either Fidelity Brokerage Services, LLC ("Fidelity"), Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), Raymond James Financial Services ("Raymond James") or T.D. Ameritrade, Inc. ("TD Ameritrade") ("custodians") as custodians for your accounts. Dynamic does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or to select the administrator for defined contribution accounts. You, in consultation with your Financial Advisor, determine the broker-dealer or custodian to safeguard your assets and authorize Dynamic to direct trades to this custodian as agreed in the Investment Management Agreement and custodian documents.

Further, Dynamic does not have the discretionary authority to negotiate commissions on your behalf on a trade-by-trade basis. You are not obligated to use the recommended custodian and will not incur any extra fee or cost from Dynamic by using a custodian not recommended by Dynamic. Dynamic may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to you, services made available to you and Financial Advisors, and location of the custodian's offices.

Following are additional details regarding the brokerage practices of Dynamic:

### **Directed Brokerage**

You are serviced on a "directed brokerage basis", where Dynamic will place trades within the established account at the custodian designated by you. Further, your accounts are traded within their respective brokerage account. Because you are selecting the custodian for your accounts, Dynamic will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by your designated custodian. Please note that not all advisers require their clients to direct brokerage.

Dynamic may not engage in any principal transactions (i.e., trade of any security from or to Dynamic's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account).

### **Aggregating and Allocating Trades**

Dynamic does not generally aggregate trades. The primary objective in placing orders for the purchase and sale of securities for your accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Dynamic executes its transactions through unaffiliated custodians. Dynamic may - but is not required to aggregate orders in a block trade or trades when securities are purchased or sold through the same custodian for multiple discretionary accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

### **Trade Rotation**

Certain Advisory Representatives associated with Dynamic may also be associated with other registered investment advisers and perform advisory services with reference to fund clients, especially those of SFM. In performing such advisory services, Financial Advisors may employ the same or similar trading strategies as those employed with reference to individual clients of Dynamic. In an effort to strive to ensure fairness between Dynamic's clients and those fund clients of Financial Advisors, a trading rotation schedule has been implemented.

Custodians utilized for individual clients and the Financial Advisors' fund activities may be added or removed from the trading rotation schedule as needed or applicable. Should new custodians be added, the new custodians may be added behind all existing custodians then-utilized in the trading rotation schedule. Should an existing custodian be removed from the trading rotation schedule, all other existing custodians then-utilized may be moved up on the trading rotation schedule.

### **Trade Errors**

From time-to-time Dynamic may make an error in submitting a trade order on your behalf. An overriding principle in dealing with a trading error made by Dynamic or a Financial Advisor (or any other party to the trade other than the client) is that the client never pays for losses resulting from such errors. In general, when the error and responsible party are identified, the trade is broken immediately, if possible, and the error is corrected the same day.

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

Dynamic currently has no written soft dollar agreements.

## **Item 13: Review of Accounts**

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During periodic reviews, Dynamic seeks to analyze a variety of factors, including risk tolerance, suitability and fiduciary standards. Dynamic requires that the Financial Advisors have a reasonable basis to believe that recommended investment strategies are in the best interest for its clients based on information obtained from their clients through reasonable diligence. In addition, account reviews will take into consideration the current economic environment, the outlook for the securities markets, and the merits of the securities in which the accounts are invested. Clients are strongly encouraged to immediately notify their Financial Advisor of the following: (a) a change in the client's investment objectives, guidelines and/or financial situation; (b) change in strategy or diversification; (c) change in tax considerations; (d) plans to add or withdrawn from the account; and (e) any other changes or concerns their Financial Advisory may need to know to properly manage their accounts. For discretionary accounts, the allocation of each portfolio is adjusted, and securities selected, at the Financial Advisor's discretion, in accordance with the client's investment objectives, risk tolerance, and financial needs. Accounts are reviewed by Financial Advisors on a periodic basis.

The qualified custodian for a client account will provide the client with a monthly or quarterly statement of the value of the client's account. These reports generally include, among other things, a summary of all activity in the account, including all purchases and sales of securities and any debits and credits to the account, a summary of holdings including a portfolio valuation, and the change in value of the client's account(s) during the reporting period. Clients may also receive other reports produced by the Financial Advisor. You are strongly encouraged to compare any such reports from Dynamic or Financial Advisor with statements from custodians. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please contact Dynamic with any questions.

### **Third Party Manager**

Financial Advisors will review third party money manager reports provided to the client in order to review client's investment and financial profile. Dynamic will assist client to understand and evaluate services provided by the third-party manager. The client is expected to notify Dynamic of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. Upon client request, Dynamic will contact directly the third-party money manager managing to account to facilitate any request from the client.

### **Advisory & Consultation Services for Retirement Plan Sponsors**

Retirement Plan Sponsor clients' advisory accounts will be reviewed based on the terms outlined in the Investment Policy Statement and advisory agreement. For clients that have entered into a consultation agreement, the frequency and scope of periodic review will be stipulated in the Investment Policy Statement and in the agreement for services.

### **Reports**

You will receive brokerage statements no less than quarterly from the trustee or custodian of your account. These brokerage statements are sent directly from the custodian to you either electronically or by physical mail, at your election. You may also establish electronic access to the custodian's website so that you may view these reports and your account activity. Your brokerage statements will include all positions, transactions and fees relating to your account.

Dynamic also provides you with periodic reports regarding your holdings, allocations, and performance via an on-line portal which you may access with a unique user ID and password. You may request that your Financial Advisor provide physical copies of these Dynamic reports to you. You are encouraged to compare any reports from Dynamic or your Financial Advisor with statements from custodians.

## Item 14: Client Referrals and Other Compensation

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Certain Financial Advisors are engaged in other professions in addition to providing financial planning and investment advice for which they receive additional commissions and compensation. They may be licensed to sell insurance products through various insurance companies that are unaffiliated with Dynamic. Any such transactions you may affect through a Financial Advisor result in the receipt of commissions and other compensation in addition to any Investment Advisory Fees as discussed above. The insurance product sales create a conflict of interest since there is an incentive to recommend such products based upon the commissions and other compensation paid by insurance companies rather than based upon a client's needs.

Dynamic has procedures in place to address the conflicts of interest with disclosure, including the information contained herein and on Financial Advisors' Form ADV2Bs. As a Dynamic Client, you are under no obligation to utilize the services of your Financial Advisor in the purchase or sales of other products including insurance. Commissions and other compensation received by your Financial Advisor for insurance product sales do not reduce advisory fees paid to Dynamic and Financial Advisors.

### **Client Referrals from Solicitors**

Dynamic has Solicitors Agreements with certain unaffiliated investment advisors and other professionals ("Solicitors") to compensate them for referring Clients to Dynamic. As disclosed in a Solicitors Agreement between such Solicitors and Dynamic, Dynamic pays a portion of the Investment Advisory Fee to a Solicitor who refers a Client to Dynamic. Any such referral fee is paid solely from Dynamic's Investment Advisory Fee and does not result in any additional charge to the Client.

The Solicitor is required to provide the Client with a copy of this Disclosure Brochure, which meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, and a Solicitor's Disclosure and ADV Acknowledgement Document containing the terms and conditions of the solicitation arrangement.

You should review your Financial Advisors' Form ADV, Part 2B brochure for more information about his or her specific compensation from other products.

### **Other Client Referrals**

Dynamic does not allow referral fee payments of any type (cash or non-cash) to persons that have referred a client to them.

### **Other Consideration and Benefits**

Dynamic and Financial Advisors, in certain cases, receive benefits and other support from product sponsors and custodians used and recommended by Financial Advisors. In certain cases, these companies provide for technology, training, education, industry meetings, client events and marketing. The benefits are generally paid in the form of reimbursement or direct payment of expenses. The receipt of such benefits is a conflict of interest as Dynamic and/or Financial Advisors may recommend products or custodians based upon these arrangements. Dynamic and Financial Advisors are obligated to act in the client's best interest at all times.

## Item 15: Custody

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Dynamic does not accept or maintain custody of your accounts. You must place your assets with a qualified third-party custodian. You select your own custodian, in consultation with your Financial Advisor, to hold your funds and securities and direct Dynamic to utilize that custodian for your securities transactions. You will

receive statements from your custodian at least quarterly. We urge you to review these statements and ensure the transactions are consistent with your objectives. For more information about custodians and brokerage practices, see “Brokerage Practices” herein above.

## **Item 16: Investment Discretion**

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Dynamic generally has discretion over the selection and amount of securities to be bought or sold in your accounts without obtaining prior consent or approval from you. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by you and agreed to by Dynamic. Discretionary authority will only be authorized upon full disclosure to you. The granting of such authority will be evidenced by your execution of an Investment Management Agreement containing all applicable limitations to such authority and necessary custodian agreements and required custodian forms. All discretionary trades made by Dynamic are designed to be in accordance with your investment objectives and goals.

Dynamic is authorized to make the following determinations in accordance with client objectives and restrictions without obtaining prior consent from the client:

- (1) which securities or instruments, including mutual funds, to buy or sell;
- (2) the total amount of securities or instruments to buy or sell;
- (3) the executing broker or dealer for any transaction;
- (4) the commission rates or commission equivalents charged for transactions;
- (5) whether to hire or fire a third-party manager.

## **Item 17: Voting Client Securities**

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Dynamic does not accept proxy-voting responsibility for you. Clients may contact Dynamic or their Financial Advisor to obtain information or to inquire about proxy voting. Clients should receive their proxies or other solicitations directly from their custodian(s) or transfer agent(s).

## **Item 18: Financial Information**

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Neither Dynamic nor its management has any adverse financial situations that would reasonably impair our ability to meet all our obligations to you. Dynamic has not been subject to a bankruptcy or financial compromise.