

# **HR Advocates, Inc.**

**815 Grove Park Avenue  
Tampa, FL 33609**

**Telephone: 813-251-2198  
Facsimile: 813-864-0453**

**Email: [nancy\\_lorenzen@hradvocates.com](mailto:nancy_lorenzen@hradvocates.com)**

**March 13, 2019**

## **Form ADV Part 2A Disclosure Brochure**

This brochure provides information about the qualifications and business practices of HR Advocates, Inc.. If you have any questions about the contents of this brochure, please contact us at 813-251-2198. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HR Advocates, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

HR Advocates, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Table of Contents

|   |        |
|---|--------|
| Item 1 Cover Page   | Page 1 |
| Item 2 Table of Contents  | Page 2 |
| Item 3 Summary of Material Changes  | Page 3 |
| Item 4 Advisory Business  | Page 3 |
| Item 5 Fees and Compensation  | Page 4 |
| Item 6 Performance-Based Fees and Side-By-Side Management                                     | Page 4 |
| Item 7 Types of Clients   | Page 4 |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss                            | Page 4 |
| Item 9 Disciplinary Information   | Page 5 |
| Item 10 Other Financial Industry Activities and Affiliations                                  | Page 5 |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | Page 6 |
| Item 12 Brokerage Practices   | Page 6 |
| Item 13 Review of Accounts  | Page 6 |
| Item 14 Client Referrals and Other Compensation   | Page 6 |
| Item 15 Custody   | Page 7 |
| Item 16 Investment Discretion   | Page 7 |
| Item 17 Voting Client Securities  | Page 7 |
| Item 18 Financial Information   | Page 7 |
| Item 19 Requirements for State-Registered Advisers  | Page 7 |
| Item 20 Additional Information  | Page 7 |

## Item 3 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment filing on March 15, 2018, we have no material changes to report.

## Item 4 Advisory Business

### Description of Services and Fees

HR Advocates, Inc. is a registered investment adviser primarily based in Tampa, FL. We are organized as a corporation under the laws of the State of FL. We have been providing investment advisory services since 1995. Nancy J. Lorenzen is our firm's principal owner.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to HR Advocates, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, investment performance monitoring, and/or ongoing consulting. These pension consulting services are non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either HR Advocates, Inc. or the client may terminate their Advisory Agreement at any time, subject to any written notice requirements in the agreement. The pension consulting fees will be prorated for the quarter in which the termination notice is effective.

### Types of Investments

We primarily offer advice on mutual funds and common/collective trusts; however, we may offer advice on other types of investments. You may request that we refrain from recommending particular securities or certain types of securities.

### Assets Under Advisement

As of December 19, 2018, we advise on \$412,569,547 in client assets on a non-discretionary basis. These "assets under advisement" are calculated differently than "regulatory assets under management" reported in our ADV Part 1 filing.

## Item 5 Fees and Compensation

We may charge an asset-based, fixed, or hourly fee for our pension consulting services. Since our services are customized for each client, our fees will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis. The specific manner in which we charge our fees is established in each client's written agreement. We generally bill our fees on a quarterly basis, payable in arrears. Fees are normally quoted on a full retainer basis, or on a project basis based on a defined time period or on the scope of work.

### Additional Fees and Expenses

As part of our investment advisory services to you, we may recommend that you invest in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by any broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to pension and profit sharing plans.

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

### Our Methods of Analysis and Investment Strategies

We primarily advise qualified defined contribution plans investing in mutual funds, and collective trust funds. Funds are evaluated and selected based on a variety of factors, including, but not limited to: performance relative to peers, fee structure, portfolio manager, stability of fund sponsor, and other factors. Strategies are generally designed to provide a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder. The decision on which investment options to implement resides with the plan sponsor or other fiduciary. Further, implementation of transactions is the responsibility of third parties retained by the client.

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we primarily recommend mutual funds and common/collective trusts; however, we may recommend other types of investments as appropriate for you. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

Collective trusts are similar to mutual funds in that they are formed by pooling money from investors and maintained by money managers; however, the investments are exclusive to institutions and are closed to private investors. Collective trusts may have less transparency in terms of fund holdings than mutual funds because they are overseen by banking regulators rather than the Securities and Exchange Commission; however, they can have more cost advantages than mutual funds.

### **Item 9 Disciplinary Information**

HR Advocates, Inc. has been providing investment advisory services since 1995. Neither our firm nor any of our management persons has any reportable disciplinary information.

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

We are not related, through control or ownership, with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker .
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Because client accounts are invested exclusively in open-end mutual funds and CIT's, and HR Advocates does not place trades for client accounts, there is little opportunity for a conflict of interest between personal trades by HR Advocates associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, HR Advocates' goal is to place client interests first.

## **Item 12 Brokerage Practices**

### **Recommendation of Brokers**

We do not recommend any particular firm for brokerage or custodial services.

### **Block Trades**

We do not place securities transactions; therefore, we do not engage in block trading.

## **Item 13 Review of Accounts**

Nancy Lorenzen, President of HR Advocates, Inc. will monitor client accounts on a regular periodic basis and will conduct account reviews at least quarterly. We conduct formal in-person presentations at the client's request, which typically occur quarterly. In addition to regular meetings, supplementary meetings are scheduled upon the occurrence of extraordinary events within a client's holdings, such as a material change to the provisions of a collective trust fund agreement.

We also provide our clients with quarterly reports containing in-depth performance measurement of their portfolio holdings.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

We may work with other pension consultants on a project basis; however, we do not accept or pay compensation for client referrals. All compensation is based on actual work performed.

## **Item 15 Custody**

We do not directly debit advisory fees from your account and we do not exercise custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian as chosen by the plan sponsor or other fiduciary. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact your custodian directly.

## **Item 16 Investment Discretion**

Since we do not execute securities transactions on behalf of client accounts, we do not accept discretionary investment authority.

## **Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian.

## **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

## **Item 19 Requirements for State-Registered Advisers**

We are a federally-registered investment adviser; therefore, this section does not apply to our firm.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to

ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.