

# Brady Martz Wealth Solutions

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## October 23, 2024

This Brochure provides information about the qualifications and business practices of Brady Martz Wealth Solutions, LLC (“BMWS”). If you have any questions about the contents of this Brochure, please contact us at the phone number above. 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.

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

Additional information about BMWS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BMWS is 331043.

## Item 2 – Material Changes

This Item of the Brochure discusses only specific material changes made to the Brochure since the last annual update and provides Clients with a summary of such changes. Our current Brochure contains the following material change:

- Item 10 was amended to clarify our other financial industry activities and affiliated entities.

Please note that we have also updated the Assets Under Management information in Item 4 in accordance with the filing of our Annual Updating Amendment on October 23, 2024.

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

Currently, our Brochure may be requested by contacting us at (701) 223-1717. Additional information about BMWS is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with BMWS who are registered, or are required to be registered, as investment adviser representatives of BMWS.

Date of Brochure: October 23, 2024

Date of Most Recent Annual Updating Amendment: October 23, 2024

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## Item 4 – Advisory Business

Brady Martz Wealth Solutions, LLC (“BMWS”) is a North Dakota limited liability company which is a wholly-owned subsidiary of Brady Martz, LLC. BMWS has been providing advisory services since 2024. As of September 30, 2024, BMWS had \$599,419,819 in assets under management on a discretionary basis and \$0 on a non-discretionary basis.

BMWS offers a variety of investment advisory services to our Clients with discretionary authority. BMWS’s services include investment management, financial planning and consulting services. Prior to providing advisory services, Clients are required to enter into a written agreement with BMWS.

### **Investment Management Services**

BMWS manages investment portfolios for individuals, trusts, charitable organizations, businesses and qualified retirement plans. BMWS will work with a Client to determine the Client's investment objectives and investor risk profile and will design a written Investment Policy Statement (“IPS”).

BMWS uses investment and portfolio allocation software to evaluate alternative portfolio designs. BMWS evaluates the Client's existing investments with respect to the Client's investment policy statement. BMWS works with new Clients to develop a plan to transition from the Client's existing portfolio to the portfolio recommended by BMWS in consultation with Client. BMWS will then continuously monitor the Client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the Client regarding the account, as necessary.

BMWS will typically create a portfolio of mutual funds and exchange-traded funds (“ETFs”) and may use model portfolios if the models match the Client's investment policy. BMWS will allocate the Client's assets among various investments taking into consideration the overall management style selected by the Client. BMWS primarily recommends mutual funds and ETFs that follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or where the Client specifically requests such equity securities be retained for a personal reason. These situations will be specifically identified in the Client’s IPS.

BMWS manages portfolios on a discretionary basis according to the investment policy selected by the Client. A Client may impose any reasonable restrictions on BMWS’s discretionary authority, including restrictions on the types of securities in which BMWS may invest Client’s assets and on specific securities, which the Client may believe to be appropriate.

BMWS has retained Buckingham Strategic Partners (“BSP”) to act as a discretionary sub-advisor. BSP shall provide various model asset allocation portfolios (each a “Portfolio,” collectively “Portfolios”) for selection by BMWS. Each Portfolio strives to achieve long-term risk and return objectives through diversification among multiple asset classes using investment options available to BSP, which may include, but are not limited to, mutual funds and/or exchange traded funds from Dimensional Fund Advisors LP, Bridgeway Capital Management, Inc., AQR Capital Management, LLC, The Vanguard Group,

Inc., Stoneridge Asset Management, LLC or other providers selected by BSP. Each Portfolio is designed to meet a particular investment goal which BMWS has determined is suitable based on the Client's circumstances. Once the appropriate Portfolio(s) has been determined, the Portfolio will continuously be managed based on the Portfolio's goal and BSP will have the discretionary authority to manage the Portfolio(s), including periodically rebalancing. However, BMWS, on behalf of its Client, will have the opportunity to place reasonable restrictions on the types of investments to be held in the Portfolio. Should material life events occur, Clients should immediately contact BMWS to determine if changes to an account and the allocation of the assets held in the account are necessary.

BMWS will answer Clients' inquiries regarding their accounts and review periodically with Clients the performance of their accounts on an ongoing basis. BMWS will periodically, and at least annually, review Clients' investment strategy and discuss the re-balancing of each Client's accounts to the extent appropriate. BMWS will provide to investment manager any updated Client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the Client's investment portfolio, BMWS may consult with Clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

BMWS does not participate in or sponsor any wrap fee programs.

### **Financial Planning Services**

BMWS also provides advice in the form of Comprehensive Financial Planning. Clients requesting this service may receive a written financial report, providing the client with a detailed financial plan designed to achieve their stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Professional: Cash flow expectations, debt structure, transition planning and office space lease vs. buy decisions
- Education: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.
- Tax & Cash Flow: Income tax, spending analysis and planning for past, current and future years.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- Investments: Analysis of clients' investments and their effect on a client's portfolio.
- Divorce Planning: Address financial issues and decisions that face couples in the process of divorce.

BMWS gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied

by the client are carefully reviewed and a written report is typically prepared. Should a client choose to implement the recommendations in the plan, BMWS suggests the client work closely with his/her attorney, accountant or insurance agent. BMWS does not provide any legal or accounting advice. Clients should seek the counsel of a qualified accountant and/or attorney when necessary. Implementation of financial plan recommendations is entirely at the client's discretion.

### **Employee Benefit Retirement Plan Services**

BMWS provides advisory services to participant-directed retirement plans through third-party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education. BMWS will analyze the plan's current investment platform and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. BMWS will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

BMWS will recommend changes in the plan's investment vehicles as appropriate from time to time. BMWS generally will review the plan's investment vehicles and investment policy, as necessary. For certain retirement plans, BMWS also works in coordination and support with BSP. Retirement plan Clients will engage both BMWS and BSP. BSP will provide to the Client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintaining the plans' investments according to the goals and investment objectives of the plan. BMWS will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Item 5 – Fees and Compensation**

In certain circumstances, all fees, portfolio minimums and their applications to family circumstances may be negotiable.

BMWS has contracted with Buckingham Strategic Partners ("BSP") for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. BMWS has also contracted with BSP for sub-advisory services with respect to Clients' accounts. BMWS pays a fee for BSP's services based on management fees paid to BMWS on accounts which use BSP. The fee paid by BMWS to BSP consists of a portion of the fee paid by Clients to BMWS and varies based on the total Client assets administered and/or sub-advised by BSP through BMWS. These fees are not separately charged to advisory Clients. The fee charged by BMWS to its Clients includes all sub-advisory fees charged by BSP.

The specific manner in which fees are charged by BMWS is established in a Client's written agreement with BMWS. Investment Management Clients will be billed in advance at the beginning of each calendar quarter based upon the value (market value based on independent third-party sources or fair market value in the absence of market value) of the Client's account at the end of the previous quarter. Fees for new accounts will initially be prorated based on the number of days remaining in the quarter in which the account is accepted (date of first trade). Client account balances on which BMWS calculates fees may

vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements.

For Investment Management Services, BMWS will request authority from the Client to receive quarterly payments directly from the Client's account held by an independent custodian. Clients may provide written limited authorization to BMWS or its designated service provider, BSP, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third-party administrators will calculate and debit BMWS's fee and remit such fee to BMWS.

A Client agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) days' written notice. Upon termination of any account, the fees for the quarter will be prorated to the effective date of the termination and any prepaid fees with respect to the period after the effective date of the termination will be refunded. The Client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

BMWS's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to BMWS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. Such charges, fees and commissions are exclusive of and in addition to BMWS's fee, and BMWS shall not receive any portion of these commissions, fees, and costs.

### **Investment Management Services**

In general, the annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

<b>STANDARD FEE SCHEDULE</b>		
<b>Assets Under Management</b>		<b>Annual Fee</b>
\$ -	\$1,000,000	1.25%
\$1,000,001	\$2,000,000	1.00%
\$2,000,001	\$5,000,000	0.75%
\$5,000,001	Thereafter	0.60%
<b>INSTITUTIONAL FEE SCHEDULE</b>		
<b>Assets Under Management</b>		<b>Annual Fee</b>
\$ -	\$2,000,000	0.80%
\$2,000,001	\$5,000,000	0.60%
\$5,000,001	\$10,000,000	0.50%
\$10,000,001	Thereafter	0.40%

ULTRA HNW FEE SCHEDULE		
Assets Under Management		Annual Fee
\$ -	\$10,000,000	0.55%
\$10,000,001	\$20,000,000	0.35%
\$20,000,001	\$50,000,000	0.25%
\$50,000,001	\$100,000,000	0.15%
\$100,000,001	Thereafter	0.10%

All accounts for members of the Client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

### Financial Planning Services

BMWS does not charge a separate fee for financial planning services. Clients wishing to avail themselves of this service will be charged upon implementation of the plan based upon the percentage of assets under management according to the investment management services fee chart noted above.

### Employee Benefit Retirement Plan Services

In general, the annual fee for plan services will be charged as a percentage of assets within the plan.

Assets Under Management	BMWS's Annual Fee	BSP's Annual Fee	Total Annual Fee
On the first \$1,000,000	0.70%	0.20%	0.90%
On the next \$4,000,000	0.45%	0.15%	0.60%
On the next \$5,000,000	0.25%	0.08%	0.33%
On all amounts thereafter	0.15%	0.05%	0.20%

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

BMWS does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client). No fees will be charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory Client.

## Item 7 – Types of Clients

BMWS provides services to individuals, high-net-worth individuals, trusts, estates, partnerships, corporations, other entities and retirement plans.

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

### Methods of Analysis and Investment Strategy

BMWS's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. BMWS's investment approach is rooted in the theory that markets are "efficient" over



periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. BMWS recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. BMWS selects or recommends portfolios of broadly-traded, open end mutual funds, ETFs, and fixed income securities to implement this investment strategy.

Although all investments involve risk, BMWS's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular Clients, the investment directly in conservative fixed income securities to represent the fixed income class. BMWS's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that BMWS's strategy seeks to minimize.

In the implementation of investment plans, BMWS therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. BMWS may also utilize Exchange Traded Funds ("ETFs") to represent a market sector.

Clients may hold or retain other types of assets as well, and BMWS may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the Client.

BMWS's strategies do not utilize securities that we believe would be classified as having any unusual risks and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

BMWS receives supporting research from Buckingham Strategic Partners and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). BMWS utilizes DFA mutual funds in Client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to BMWS.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for Clients, including the recommendation of an appropriate asset allocation, BMWS relies on an analysis of the Client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, BMWS may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the Client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis;
- The risk that future rates of return will fall short of the estimates used in the simulation;
- The risk that inflation will exceed the estimates used in the simulation; and
- For taxable Clients, the risk that tax rates will be higher than was assumed in the analysis.

#### *Risk of Loss*

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

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

The mutual funds and ETFs utilized by BMWS may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

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

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

### **Interval Fund Risk**

An interval fund is a type of closed-end fund utilizing shares that do not trade on the secondary market. Instead, the fund periodically offers to buy back a percentage of outstanding shares at net asset value.

The rules for interval funds, along with the types of assets held, make this investment largely illiquid compared with other funds. The primary reasons for investors to consider investing in interval funds BMWS may utilize include, but are not limited to, gaining exposure to certain risk categories that provide diversified sources of expected returns, part of which may be in the form of illiquidity premiums. Access to the intended risk and expected return characteristics may not otherwise be available in more liquid, traditional investment vehicles.

Where appropriate, BMWS may utilize certain interval funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired, and the fund may suspend or postpone purchases. Clients should carefully review the fund's prospectus to more fully understand the interval fund structure and the corresponding liquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a Client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

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

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

## **Item 9 – Disciplinary Information**

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

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

### **Brady Martz Insurance Solutions LLC (“BMIS”)**

BMIS is an affiliated, licensed insurance company which offers and sells insurance products.

### **Brady, Martz & Associates, P.C. (“BMA”)**

BMA is an affiliated, licensed accounting firm which offers tax and accounting services.

There are no referral arrangements between BMIS, BMA and BMWS.

BMWS will disclose any material conflict of interest relating to BMWS, our representatives, or any of our associates which could reasonably be expected to affect the decision-making of our Clients.

BMIS and BMA may recommend BMWS to its clients in need of advisory services. BMWS may recommend BMIS and BMA to advisory clients in need of the services provided by BMIS and BMA. BMIS and BMA's services are separate and distinct from the advisory services of BMWS and are provided for separate and typical compensation, including insurance commissions, if applicable. No BMWS client is obligated to use BMIS or BMA for any services, and no BMIS or BMA clients are obligated to use BMWS for advisory services. Clients who choose to engage more than one affiliated entity may receive discounted pricing at those affiliates. All services with affiliated entities are provided subject to separate agreements, outlining the offering and pricing agreed to in advance.

### **Buckingham Strategic Partners, LLC**

As described above in [Item 4](#), BMWS will exercise discretionary authority provided by a Client to select an independent third-party investment manager for the management of portfolios. BMWS has selected Buckingham Strategic Partners (“BSP”) for such sub-advisory management and also contracts with BSP for back-office services. BMWS has a fiduciary duty to select qualified and appropriate managers in the Client's best interest and believes that BSP effectively provides both the back-office services that assist with its overall investment advisory practice and sub-advisory services. BMWS continuously analyzes and assesses the use of BSP in this capacity. While BMWS has a contract with BSP governing a time period for back-office services, BMWS has no such fixed commitment to the selection of BSP for sub-advisory services and may select another sub-investment manager for Clients upon reasonable notice to BSP.

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

BMWS has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of BMWS must acknowledge the terms of the Code of Ethics annually, or as amended.

BMWS or individuals associated with BMWS may buy or sell securities identical to those recommended to Clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a Client. It is the expressed policy of BMWS that no person employed by BMWS will take inappropriate advantage of their positions, and the interests of Client accounts will be placed first at all times.

BMWS anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which BMWS has management authority to effect, and will recommend to investment advisory Clients or prospective Clients, the purchase or sale of securities in which BMWS, its affiliates and/or Clients, directly or indirectly, have a position of interest. BMWS's employees and persons associated with BMWS are required to follow BMWS's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of BMWS and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for BMWS's Clients. The Code of Ethics is designed to ensure the personal securities transactions, activities and interests of the employees of BMWS will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of BMWS's Clients. In addition, the Code requires pre-clearance of certain transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between BMWS and its Clients.

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

It is BMWS's policy that the firm will not affect any principal or agency cross securities transactions for Client accounts. BMWS will also not cross trades between Client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person

controlled by or under common control with the investment advisor, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

BMWS arranges for the execution of securities transactions with the operational assistance of Buckingham Strategic Partners (“BSP”). Through BSP, BMWS participates in the Schwab Advisor Services program offered to independent investment advisers by Charles Schwab & Company, Inc. (“Schwab”) and the Fidelity Institutional Wealth Services (“FIWS”) program, sponsored by Fidelity Brokerage Services. Schwab and Fidelity are unaffiliated SEC-registered broker dealers and FINRA member broker dealers. Schwab and FIWS offers services which include custody of securities, trade execution, clearance and settlement transactions.

Schwab will generally be recommended to advisory Clients for the execution of mutual fund and equity securities transactions. BMWS regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to BMWS's service arrangements and capabilities, and BMWS may not accept Clients who direct the use of other brokers. As part of this program, BMWS receives benefits that it would not receive if it did not offer investment advice (See the disclosure under [Item 14](#) of this Brochure).

Since BMWS will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, Clients must direct BMWS as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that BMWS will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require Clients to direct the use of specific brokers.

BMWS will not exercise authority to arrange Client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by BMWS on Client's behalf by designating the portfolio manager with trading authority over Client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of the fixed income manager.

In this situation, BMWS will monitor the fixed income trading services provided by BSP to assess the quality of broker dealer services and Client fixed income transactions, and approve the selection of those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of brokerage costs, commissions and markup/mark downs is based on the broker dealer's ability to provide professional services, competitive execution, and other services that will help BMWS in providing investment management services to Clients.

Through BSP's trading desk, Client trades in fixed income securities may be blocked with transactions by other investment advisers participating in the Buckingham Strategic Partners program to achieve better pricing and commission costs. While this procedure will generally benefit Clients, certain trades may only be partially filled, in which case a Client's order may not be fulfilled. Partially filled orders will be allocated to the first orders received by Buckingham Strategic Partners for inclusion in the block trades.

BMWS generally does not aggregate any Client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which BMWS arranges transactions. BSP, in the management of portfolios, will aggregate certain transactions among Client accounts that it manages, in which case a BMWS Client's order may be aggregated with an order for another Client of BSP who is not a BMWS Client. See [BSP's Form ADV Part 2](#).

BMWS also does not have any arrangements to compensate any broker dealer for Client referrals.

When trading Client accounts, errors may periodically occur. BMWS does not maintain any Client trade error gains. BMWS makes Client whole with respect to any trade error losses incurred by Client and caused by BMWS.

### **Financial Planning Services:**

BMWS's financial planning practice, due to the nature of its business and Client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance brokers for the implementation of financial planning recommendations. BMWS may recommend any one of several securities brokers and insurance brokers. Clients must independently evaluate these securities dealers before opening an account or purchasing insurance. The factors considered by BMWS's when making this recommendation are the broker's ability to provide professional services, BMWS experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Clients that receive financial planning services may use any broker dealers or insurance brokers of their choice, and is under no obligation to accept any recommendations of BMWS.

## **Item 13 – Review of Accounts**

### **Reviews**

#### **Investment Management Services**

Account assets are supervised continuously and formally reviewed at least annually by an investment advisor representative of BMWS. The review process contains each of the following elements:

- a. assessing Client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

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

- a. a specific Client request;
- b. a change in Client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For accounts on the BSP platform, certain account review responsibilities are delegated to BSP as described above in [Item 4](#).

### **Employee Benefit Retirement Plan Services**

Plan assets are reviewed on a quarterly basis or as otherwise agreed between the parties, and according to the standards and situations described above for investment management accounts.

### **Reports**

#### **Investment Management Services:**

All Clients will receive written quarterly performance reports from BMWS that summarize the Client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the Client's current positions and current market value.

### **Employee Benefit Retirement Plan Services**

Plan sponsors are provided with quarterly information and annual performance reviews from BMWS. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

As indicated under the disclosure for [Item 12](#), Schwab and Fidelity provide BMWS with access to services which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit BMWS but may not benefit its Clients' accounts. Many of the products and services assist BMWS in managing and administering Clients' accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data, facilitate payment of BMWS's fees from its Clients' accounts, and assist with back-office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of BMWS's accounts. Schwab and Fidelity also make available to BMWS other services intended to help BMWS manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. BMWS does not, however, enter into any commitments with Schwab or Fidelity for transaction levels in exchange for any services or products from brokers. While as a fiduciary, BMWS endeavors to act in its Clients' best interests, BMWS's requirement that Clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to BMWS of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

BMWS also receives software from DFA, which BMWS utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for BMWS personnel. These services are designed to assist BMWS plan and design its services for business growth.



As previously disclosed, certain employees of BMWS, in their individual capacities, are licensed insurance agents. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory Clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of recommendations. The implementation of any or all recommendations is solely at the discretion of the Client.

BMWS does not engage in any referral arrangements.

## **Item 15 – Custody**

BMWS is considered to have limited custody due to automatic fee deduction. In order to prevent BMWS from being deemed as maintaining custody of portfolio management Client assets, we will ensure the following:

- a) Clients provide written authorization for BMWS to deduct advisory fees from the custodial accounts in the Client's advisory agreement; and
- b) BMWS has a reasonable belief that the account custodian sends at least quarterly statements directly to the Client showing all disbursements from the custodial account, including BMWS's advisory fee.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. BMWS urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

BMWS requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For sub-advisory services, this authority will include the discretion to retain a third-party independent manager. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, BMWS observes the investment policies, limitations and restrictions of the Clients for which it advises. Investment guidelines and restrictions must be provided to BMWS in writing.

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

### **Proxy Voting**

As a matter of firm policy and practice, BMWS does not accept the authority to and does not vote proxies on behalf of advisory Client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. Clients will receive applicable proxies directly from the



issuer of securities held in Clients' investment portfolios. BMWS, however, may provide advice to Clients regarding the Clients' voting of proxies.

### **Class Actions, Bankruptcies and Other Legal Proceedings**

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

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about BMWS's financial condition. BMWS does not require or solicit prepayment of more than \$500 in fees per Client, six (6) months or more in advance. BMWS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.