



Part 2A Appendix 1 of Form ADV

## Wrap Fee Program Brochure

Sponsored by

# YellowWood Wealth Solutions, LLC

January 1, 2024

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

This wrap fee program brochure provides information about the qualifications and business practices of YellowWood Wealth Solutions, LLC, a DBA under tru Independence Asset Management, LLC, a registered investment advisor with the Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. For compliance specific requests, please call our Chief Compliance Officer at (971) 371-3450.

The information in this brochure has not been approved or verified by the United States Exchange Commission (SEC) or by any state securities authority. Registration does not imply any level of skill or training.

Additional information about the Firm is available on the SEC's website at [www.adverserinfo.gov](http://www.adverserinfo.gov).

## ITEM 2 - MATERIAL CHANGES

In this Item, tru Independence Asset Management, conducting business as YellowWood Wealth Solutions, LLC (hereby known as “YellowWood” or the “Firm”) is required to discuss any material changes that have been made to the ADV Part 2A Appendix 1 Wrap Fee Program brochure since the last annual amendment.

The business practices of the Firm are substantially the same as represented in this Firm’s previous and current years’ annual updated Brochures.

The material changes since the previous filing of this brochure include:

- The Firm amended its Form ADV to update current Assets Under Management.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for YellowWood Wealth Solutions, LLC is #168256. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Clients are encouraged to carefully read the Brochure in its entirety and contact their Financial Advisor with any questions.

Currently, our Brochure may be requested by contacting Stacy L. Sizemore, IACCP®, Chief Compliance Officer, at 971-371-3450 or [stacy@tru-ind.com](mailto:stacy@tru-ind.com).

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## ITEM 4 - ADVISORY BUSINESS

tru Independence Asset Management provides investment advice under the name of YellowWood Wealth Solutions. Hereafter, YellowWood Wealth Solutions, LLC may also be referred to as (“YellowWood” or “the Firm”) with any descriptions of services, investment processes, fees and other similar items being specific to YellowWood unless otherwise noted.

TIAM has been registered as an investment adviser since 2014 and is owned by tru Independence, LLC. tru Independence, LLC, is primarily owned by Craig Stuvland with a minority ownership by Entwood Holdings LLC, which is owned by David Beatty.

The YellowWood Wrap Program (the “Program”) is an investment advisory program sponsored by Yellowwood Wealth. Prior to the Firm rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

As a registered investment adviser YellowWood is a fiduciary to the firm’s investment advisory clients and has an obligation to act in good faith, and in the best interest of the client and to place the client's interests first and foremost. This would include a duty of care, which requires among other things for advisers to ensure that its investment advice is suitable based on the client’s investment profile or mandate. As part of a duty of loyalty to clients’ advisers must also attempt to eliminate or make full and fair disclosure of all material facts of any conflicts of interest so a client, or prospective client, can make an informed decision in each particular circumstance. The structure of the Program and other internal controls described in this brochure are designed to support the Firm’s ongoing efforts to fulfill its fiduciary duties. This includes actions to either avoid or mitigate material conflicts of interest which may exist between the Firm and its clients, and to provide clients with required disclosure of these conflicts of interest. Clients and prospective clients should carefully consider the information set forth in this Brochure in evaluating the Program. The Firm’s Financial Advisors (each, a “Financial Advisor,” and collectively, “Financial Advisors”) serve as the primary point of contact for Program clients. Clients are encouraged to carefully read this Brochure in its entirety and contact their Financial Advisor with any questions.

While this brochure generally describes the business of the Firm, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on the Firm’s behalf and is subject to the Firm’s supervision or control.

The information included in this Brochure is current as of the date of this Brochure and is subject to change at the Firm’s discretion. Please retain this Brochure for your records.

### **Assets Under Management**

As of December 31, 2023, TIAM managed approximately \$543,886,653 in assets for approximately 1139 accounts on a discretionary basis and approximately \$13,339,061 in assets for approximately 76 accounts on a non-discretionary basis. In total, TIAM managed approximately \$557,225,714 in assets for approximately 1215 accounts. YellowWood Wealth’s business model managed approximately \$191,925,483 in assets for 807 accounts which are managed on a discretionary basis and approximately \$13,339,061 in assets for 76 accounts which are managed on a non-discretionary basis. In total, YellowWood Wealth Management managed approximately \$205,264,544 for approximately 883 accounts, of which approximately \$196,458,902 for approximately 800 accounts are Wrap accounts.

### **Advisory Services Offered**

The Firm offers discretionary investment management, investment advisory services and financial planning. Prior to the Firm rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

### **Investment Management Services**

YellowWood offers continuous and regular investment supervisory services on a discretionary basis. We work with clients and have the ongoing responsibility to select and/or make recommendations based upon the objectives of the client, as to specific securities or other investments that he/she recommends or purchases/sells in clients’ accounts. We utilize a variety of investment types when making investment recommendations/purchases in client accounts which include, but are not limited to equity securities, fixed income securities, alternatives, and mutual funds. The investments recommended/purchased are based off of the clients’ individual needs, goals, and objectives. The Firm offers investment advice on any investment held by the client at the start of the advisory relationship. Financial Planning may be provided to clients as a part of the Investment Management Services. When being provided as a separate service it is described in this section under Financial Consulting Services below.

Clients are advised to promptly notify YellowWood if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management if the Firm determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

As stated, investment management is provided on a discretionary basis, in which a client appoints and authorizes the Firm or a third-party to make investment decisions with respect to the assets in the client’s account (including authority to buy, sell, or hold securities).

### **Financial Planning Services**

Our Financial Planning Services Service offers clients the ability to have their investment portfolio allocated among different financial institutions and reviewed by an Investment Adviser Representative for a negotiated fee. This consultation offers the client a detailed look at their financial condition in relation to their investment objectives, risk tolerance, time horizon, and any financial goals that they may be seeking to achieve. This Financial Consultation Service offered by us may or may not be in conjunction with one of our other fee-based programs.

The Firm provides a variety of financial consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of client’s current situation, goals, and objectives. Consulting encompasses one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, the Firm is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accounts, etc.) and is expressly authorized to rely on such information. The Firm may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or register representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if client engages Firm or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by the Firm under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Firm's recommendations and/or services.

### **Use of Independent Managers**

YellowWood may select certain Independent Managers or Sub-Advisors to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager will be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

The Firm evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. The Firm also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing, and research capabilities, among other factors.

The Firm continues to provide services relative to the discretionary selection of Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Manager. The Firm seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Wrap Fee Program**

The Program described in this Brochure is provided to clients in a "wrap fee" arrangement. A wrap fee arrangement is one in which a single fee is charged based on the market value of assets in the client's account, rather than on the transactions in the account.

The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts where the total costs will generally increase or decrease as a result of the frequency of transactions in the account and the type of securities purchased.

At the onset of the Program, clients complete an investor profile describing their individual investment

objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, YellowWood assists its clients in developing an appropriate strategy for managing their assets. Clients' investment portfolios are generally managed on a discretionary basis by the Firm.

#### **Fees for Participating in the Wrap Fee Program**

The Program is offered on an asset-based fee basis, meaning participants pay a single annualized fee based upon assets under management ("Program Fee") established as a flat fee or a percentage of the market value of assets in the account as of a particular date rather than on the transactions in the account as in a commission account where total costs will generally increase or decrease as a result of the frequency of transactions in the account and they type of securities purchased.

The Wrap Fee covers advisory services related to the program, portfolio management services provided by third parties, the execution of transactions, custody services, account servicing, reporting and other services. The specific fee a client will pay is set forth in their Client Agreement.

In establishing the fee applicable to a client's account, the Advisor will take into consideration the value of the assets, and the types of assets, being deposited in the account participating in the relevant Program, frequency of trading, other assets the client or client's household may have invested with the Firm, and the nature of the client relationship. In general, not all clients with the same amount of assets will be charged the same fee in the same Program.

This management fee generally varies between 25 and 200 basis points (0.25% - 2%), depending on the size and composition of a client's portfolio and the type of services rendered. The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by the Firm on the last day of the previous billing period.

You may make additions to and withdrawals from your Assets at any time, subject to our right to terminate our services. If Assets are deposited or withdrawn after the beginning of a Billing Period, the Investment Management Fee will be prorated. All withdrawals are subject to customary securities settlement procedures. We design our portfolios as long-term investments and Asset withdrawals may impair the achievement of your investment objectives. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), the Firm may negotiate a fee rate that differs from the range set forth above.

#### **Additional Fee Information**

As referenced above, a portion of the fees paid to YellowWood are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Therefore, the Firm has an incentive to

place less trades for clients in the Program since the Firm incurs transaction expenses. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed at a broker dealer, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

YellowWood has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

#### **Payments to Independent Managers**

The Firm pays a portion of the total fee received from the client to the Independent Manager, if applicable, for services provided to the client through the relevant Program. Although the amounts paid to third parties participating in the Program may be changed from time to time without notice to clients, such changes will not impact the amount of the fees paid by clients without prior notification to the client. The range of fees paid to these third parties vary based on factors such as the investment strategy or style of the relevant manager, and the size of the client's account.

#### **Direct Fee Debit**

Clients generally provide the Firm with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to the Firm.

#### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients may withdraw account assets on notice to the Firm, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. The Firm may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

#### **Betterment Advisory Services**

Betterment for Advisors is a digital wealth management platform generally serving independent investment advisory firms. Betterment LLC ("Betterment"), a registered investment advisor, serves as sub-advisor to your clients ("Clients"). MTG LLC, dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian.



The services provided by Betterment include:

- **Goal-Based Investment Management:** Betterment's goal-based investment platform allows advisors and Clients to identify multiple investment goals for each Client, each with specific portfolio allocations;
- **Portfolio Construction Tools:** Advisors and Clients have access to a set of portfolio strategies, each of which is comprised of low-cost, index-tracking exchange-traded funds or mutual funds (the latter only for advisors who are approved to construct portfolios with Dimensional Fund Advisors mutual funds), and are able to customize the risk-level for each investment goal;
- **Automated Investment Management Services:** Betterment's algorithms automate back-office tasks such as trading, portfolio management, tax loss harvesting, and account rebalancing;
- **Website and Mobile Application:** Betterment's website and mobile application provide a platform for account access and monitoring and delivery of account documentation and notices; and
- **Advisor Dashboard:** Advisors have access to a dashboard for purposes of monitoring and managing Client accounts.

### **Betterment Fees and Compensation**

Unless you have negotiated a specific fee discount, Betterment charges your clients an asset-based wrap fee on amounts invested via the Betterment for Advisors platform that is tiered based on the aggregate balance of all of your firm's client accounts at Betterment (not including funds held in Betterment Everyday Cash Reserve). That wrap fee currently ranges from 0.12% to 0.20% of account balances. The asset-based wrap fee is charged quarterly in arrears. The services included for the wrap fee include all of the services provided by Betterment and Betterment Securities through the Betterment for Advisors platform, including advisory services, custody of assets, execution and clearing of transactions, and account reporting. Betterment collects wrap fees directly from Clients pursuant to the terms of the sub-advisory agreement between Betterment and each Client. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the advisory, custodial, trade execution, and other services were purchased separately. Advisors with clients on this pricing structure typically also pay a fixed monthly fee to Betterment.

If you charge Clients a fee in addition to the Betterment for Advisors platform fee for assets held on the Betterment for Advisors platform, Betterment will collect both its and your fee from each Client and remit your portion of the fee directly to you. Clients should be made aware of this arrangement.

Additional information regarding Betterment's fees and compensation is described in Betterment's Form ADV Part 2A.

### **Other Betterment Services and Potential Conflicts**

As part of your relationship with Betterment and Betterment Securities, Betterment may offer you services intended to help you manage and further develop your business enterprise, such as access to webinars and advice about using the Betterment for Advisors platform to grow your business. Betterment may offer different or expanded services in the future. These services could create an incentive for you to recommend that your clients invest through the Betterment for Advisors platform. This is a potential conflict given that your interest in recommending Betterment could be influenced by your receipt of Betterment's and Betterment Securities' services to your business. Other potential conflicts may exist regarding your use of the Betterment for Advisors platform.

## **ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

YellowWood offers services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

### **Minimum Account Requirements**

The Firm does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

### **Types of Clients**

The Firm offers the Program to the following types of clients: individuals; high net worth individuals; pension and profit-sharing plans; trusts; estates; corporations or other businesses; charitable organizations; state or local municipal government entities; partnerships; limited liability entities; and foundations and endowments.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Product Evaluation and Approval**

Our wrap fee and non-wrap fee accounts are managed on an individual basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap-fee accounts. We also allow clients to impose reasonable restrictions on investing in certain securities or types of securities. The Firm does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

As stated above, YellowWood may select certain Independent Managers to manage a portion of its clients' assets in a separate written agreement with the designated Independent Manager which will include the payment of any solicitor fees by the Firm to the Independent Manager for their services. In these situations, the Firm continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, The Firm generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### **Methods of Analysis and Investment Strategies**

YellowWood may utilize several methods of analysis when structuring client portfolios including fundamental analysis and technical analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. YellowWood may analyze the financial condition, capabilities of management, earnings, new products, and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in

determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that YellowWood will be able to accurately predict such a reoccurrence.

To implement its recommendations, the Firm primarily allocates client assets among various individual equity and debt securities, fixed income, mutual funds, and exchange-traded funds (“ETFs”) in accordance with their stated investment objectives. On a more limited basis, the Firm may utilize mutual funds or other securities to meet a client’s investment needs.

### **Portfolio Management by Affiliates and Related Persons**

Portfolio Management services provided by the Firm, a Related Person, certain Affiliates, and the models provided by the Firm present a conflict of interest because, under these circumstances, the entire client fee is retained by the Firm and its Affiliates. This means that, through these arrangements, the Firm and its Affiliates or Related Persons may receive higher total compensation than if the client selected a third-party or otherwise non-affiliated investment manager. However, the Firm mitigates this conflict through disclosure of the conflict in this Brochure, and because, providing investment advisory services to clients, the Firm and its Financial Advisors have a fiduciary duty to act solely in the best interest of clients.

Further information about the Firm’s Related Persons, the conflicts of interest noted above, and how the Firm addresses these conflicts of interest, is included in the Other Financial Industry Activities and Affiliations and Code of Ethics sections under Item 9 - Additional Information below.

### **Performance-Based Fees**

The Firm does not charge performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the client’s account assets).

### **Risk of Loss**

#### **Market Risks**

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Yellowwood’s recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds, and other asset classes. There can be no assurance that the Firm will be able to predict those price movements accurately or capitalize on any such assumptions.

#### **Mutual Funds and Exchange Traded Funds (ETFs)**

An investment in a mutual fund or exchange traded funds (ETFs) involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund’s underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event, they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund’s stated

daily per share net asset value (“NAV”), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund’s holdings. The trading prices of a mutual fund’s shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund’s shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### **Proxy Voting Authority**

The firm does not vote proxies on behalf of account holders, nor do we offer guidance on how to vote proxies.

Account holders may receive voting proxies or other similar solicitations sent directly from the custodian of record or transfer agent. Note that we do not forward duplicate copies of these or any correspondence relating to the voting of securities, class action litigation, or other corporate actions.

Each account holder will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers, or other events pertaining to such holdings. We will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

Account holders of record maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to their holdings. The account holder should consider contacting the issuer or their own legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

### **Betterment Voting Client Securities**

For assets managed on the Betterment for Advisors platform, Client’s delegate to Betterment the authority to receive and vote all proxies and related materials. Betterment will only vote on proxies and respond to corporate actions associated with securities that Betterment recommends be purchased for client accounts. Additional information about proxy matters is contained in Betterment’s Form ADV Part 2A.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGER**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communications with

your portfolio manager(s) on a regular basis as needed to ensure you are most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you request us to, when market or economic conditions make it prudent to do so, etc.

## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGER**

Our clients may directly contact their portfolio manager(s) with questions or concerns or by calling the number on this Brochure for contact information.

## **ITEM 9 - ADDITIONAL INFORMATION**

### **Disciplinary Information**

The Firm has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

- **Registered Representatives of a Broker-Dealer**

Certain of the Firm's Supervised Persons are registered representatives of APW Capital, Inc. ("APW"), and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5. This arrangement allows YellowWood Wealth's Supervised Persons to offer certain qualified clients trading services, which gives the Firm the ability to execute trades of client assets custodied at a qualified custodian as defined in Item 12. Although APW is also a Registered Investment Adviser, the Supervised Persons are only registered as Registered Representatives at APW.

- **Insurance Agents**

Several individuals at YellowWood Wealth maintain insurance licenses in order to service their advisory clients. Insurance services are limited to residents of the states in which they are insurance licensed however, they can be licensed in other states as dictated by client location and situation.

### **Code of Ethics**

The Firm has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. The Firm's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of the Firm's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also

recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person will access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States;

(ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact the Firm to request a copy of its Code of Ethics.

### **Account Reviews**

The Firm monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's Investment Committee and/or investment adviser representatives and are intended to fulfil the Firm's fiduciary obligations to their advisory clients. All advisory clients are encouraged to discuss their needs, goals, and objectives with YellowWood Wealth and to keep the Firm informed of any changes thereto. YellowWood Wealth contacts

ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial and/or investment objectives.

### **Account Statements and General Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from the Firm and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from the Firm or an outside service provider.

### **Client Referrals**

The Firm may provide compensation to third-party solicitors for client referrals. In the event a client is introduced to the Firm by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such

referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with the Firm's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of the Firm is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

### **Betterment Client Referrals and Other Compensation**

When considering what client referrals and other compensation to disclose, please keep in mind that you may be deemed to give Betterment an indirect benefit in the form of the asset-based fees it receives from your clients. You also receive a non-economic benefit from Betterment in the form of the support products and services it makes available to you.

### **Brokerage Practices**

YellowWood Wealth generally recommends that clients utilize the custody, brokerage and clearing services of Raymond James & Associates, Inc. a registered broker-dealer and member SPIC ("Raymond James") for investment management accounts. Factors which YellowWood Wealth considers in recommending Raymond James or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service.

YellowWood Wealth may recommend/require that clients establish brokerage accounts with Raymond James, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Raymond James is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. YellowWood Wealth is independently owned and operated and not affiliated with Raymond James. Raymond James provides YellowWood Wealth with access to its institutional trading and custody services, which are typically not available to Raymond James retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to advisors. Raymond James's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

The execution clients receive from Raymond James will comply with the Firm's duty to obtain "best execution." In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist YellowWood Wealth in its investment decision-making process. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because YellowWood Wealth does not have to produce or pay for the products or services.

YellowWood Wealth periodically and systematically reviews its policies and procedures regarding its



recommendation of Financial Institutions in light of its duty to obtain best execution.

Raymond James also makes available to YellowWood Wealth other products and services that benefit YellowWood Wealth but may not benefit its clients' accounts. These benefits may include national, regional or YellowWood Wealth specific educational events organized and/or sponsored by Raymond James. Other potential benefits may include occasional business entertainment of personnel of

YellowWood Wealth by Raymond James personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist YellowWood Wealth in managing and administering clients' accounts. These include software and other technology (and related technological training) 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 YellowWood Wealth's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of YellowWood Wealth's accounts, including accounts not maintained at Raymond James. Raymond James also makes available to YellowWood Wealth other services intended to help YellowWood Wealth manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance, and marketing. In addition, Raymond James may make available, arrange and/or pay vendors for these types of services rendered to YellowWood Wealth by independent third parties. Raymond James may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to YellowWood Wealth. While, as a fiduciary, YellowWood Wealth endeavors to act in its clients' best interests, YellowWood Wealth's recommendation/requirement that clients maintain their assets in accounts at Raymond James may be based in part on the benefit to YellowWood Wealth of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Raymond James, which may create a potential conflict of interest.

YellowWood Wealth does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Betterment Brokerage Services**

Betterment Securities is responsible for execution of securities transactions and maintains custody of customer assets. Betterment Securities exercises no discretion in determining if and when trades are placed; it places trades only at the direction of Betterment. Clients should understand that the appointment of Betterment Securities as the broker for their accounts held at Betterment may result in their receiving less favorable trade executions than may be available through the use of broker-dealers that are not affiliated with Betterment. If your clients do not wish to place assets with or execute trades through Betterment Securities, then Betterment cannot manage your client accounts on the Betterment for Advisors platform.

Additional information regarding Betterment Securities can be found on FINRA's BrokerCheck.



### **Betterment Investment Discretion**

Betterment uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by Betterment's investment advisory personnel. To use Betterment's investment services, Clients and/or you inform Betterment of a Client's financial goals and personal information through Betterment's online applications, and Betterment's algorithm then recommends and builds a portfolio of exchange traded funds for each of the client's financial goals and account types. Each portfolio is associated with a target allocation of investment types and/or asset classes but you can modify Betterment's initial allocation recommendation as you see fit in the absence of a contrary direction, Betterment periodically rebalances client portfolios so that in the face of fluctuating market prices each Client's portfolio remains within a range of the target allocation. Betterment also offers optional tax loss harvesting and automated asset location services.

If you allow clients to place limits on your discretionary authority to manage accounts other than the limits described in Betterment's Form ADV Part 2A, you should consider including any such limits in your ADV.

### **Betterment Custody Services**

Betterment Securities maintains custody of your clients' assets that are managed by Betterment. Your Clients' account statements are available for review on the activity section of the Betterment for Advisors client portal. Clients receive periodic emails from Betterment with information about their accounts as well as links to account statements. You should encourage your clients to carefully review those statements promptly.

### **Financial Information**

YellowWood Wealth is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.