



Disclosure Brochure

Form ADV, Part 2A

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Old Port Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at: (207) 774-6552, or by email at: web@oldportadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Old Port Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Our Firm CRD number is 108228

Current as of March 26, 2024

Old Port Advisors, Inc.

Item 2 - Material Changes

Annual Update

This section provides a summary of material changes that were made to the Disclosure Brochure since our last annual update. Our Firm may make interim updates to the disclosure brochure throughout the year.

Material Changes

March 26, 2024: Item 4 Advisory Business was modified to discuss a change of composition of ownership of Old Port Advisors.

The material changes discussed above are only those changes to this Brochure since the date of the last annual update of the Brochure. The date of the last annual update of the Brochure was March 30, 2023.

Full Brochure Available

To request a complete copy of the most recent Disclosure Brochure, please contact us by telephone at: (207) 774-6552 or by email at: web@oldportadvisors.com.

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Item 4 - Advisory Business

Firm Description

Old Port Advisors, Inc. (“Advisor”, “us”, “we,” or the “Firm”) is an investment adviser firm registered with the Securities and Exchange Commission (SEC), since 2001. The Firm was originally founded in 1994 by Fredric W. Williams as *Investment Management and Consulting Group, Inc.*, changing the business name to *Old Port Advisors, Inc.* in 2014. The principal owner of our Firm is Fredric W. Williams, President, Treasurer, and Secretary. On January 1, 2024 Fredric W. Williams transferred minority ownership interests in the Firm to Jason Foster, Tracy Rogers, Ben Daigle, and Jake Kenyon, each an Executive Vice President.

Our Firm provides personalized Investment Management, Financial Planning, and Wealth Management services to individuals, trusts, estates, and charitable organizations, as well as business clients. In addition to these services, we provide Fiduciary Consulting to employers and retirement plan sponsors.

We provide professional, ongoing advice in furtherance of client goals and desires, tailored to our clients’ unique needs based on our ongoing meetings and conversations. Our practice model is based on the Fiduciary Standard of delivering advice and service. This means that we’re obligated by law to act in our clients’ best interest. We adhere to this standard not only as a matter of law but as a matter of culture.

Our Firm will work collaboratively with our clients’ other professional advisors (attorneys, tax preparers, insurance agents, etc.) as needed to strive for the best possible outcomes. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

An initial discussion is free of charge and is considered an exploratory interview to determine the extent to which our services might be beneficial to the client.

As of December 31, 2023, Our Firm managed 916 clients and \$698 million in assets. Approximately \$646 million of those assets were managed on a discretionary basis and approximately \$52 million were managed on a non-discretionary basis.

Types of Advisory Services

Investment Management

Investment Management seeks to match a client’s circumstances to an appropriate investment vehicle. Upon determining a client’s overall financial situation, goals, and desires, an investment strategy is recommended and implemented.

Our investment discipline includes, but is not limited to, exposure to: equities (stocks), corporate debt securities (bonds), commercial paper, certificates of deposit, municipal securities, mutual funds, ETFs, closed end funds, as well as U. S. and other government securities. We may also utilize alternative investments, managed futures, options, and other types of securities as appropriate to meet the needs of specific clients.

Portfolios are monitored and clients are met with and communicated with based upon their desires and circumstances. Ongoing monitoring by clients is facilitated by statements that may be generated by the custodian holding the accounts, the custodian's web-based portal, our own web-based client portal, as well as periodic performance statements generated by us. Fees are charged based on the value of the invested assets under management. For more detail on fees, please see Item 5 - Fees and Compensation below.

We will assist, as appropriate, in servicing of the portfolio including cash management, contributions, distributions, and other service-related items.

If clients wish to impose restrictions on investing in certain securities or types of securities, we will address those restrictions with the client to have a clear understanding of the client's requirements.

Generally, our minimum Investment Management balance is \$250,000. For more detail on account minimums, please see Item 7 – Types of Clients below.

We retain the discretion to waive the account minimum. Accounts with less than the stated minimum may be established when the client and the Advisor anticipate the assets will reach the minimum within a reasonable time. Other exceptions may apply to our employees, their relatives, or relatives of existing clients.

Financial Planning

Financial Planning seeks to take a deeper dive into all aspects of the client's financial and estate profile and recommend modifications in furtherance of client goals. Areas of exploration may include, but are not limited to: net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Financial planning may be provided on a modular basis (single need) or comprehensive basis depending on client needs. Implementation of recommendations are the responsibility of our clients.

Fees are charged on a project basis or hourly basis. For more detail on fees, please see Item 5 - Fees and Compensation below.

Wealth Management

Wealth Management combines Investment Management with Financial Planning. This synergy affords our Wealth Management clients continuous, ongoing advice in all aspects of their financial lives. This level of service is available at no additional cost (over Investment Management fees) to those clients for whom we manage \$500,000 or more of

invested assets. We will assist in the implementation of certain strategies and actions as appropriate.

Combining Services

As appropriate and desired by our clients, we may combine services (generally, Investment Management and Financial Planning) in order to meet specific circumstances. This allows our clients access to different levels of service at varying wealth levels.

Fiduciary Consulting

Many retirement plan sponsors select us to provide fiduciary advice on their plan investments with the goals of improving fund selection, reduce plan costs, and receive comprehensive participant education programs. All aspects of the sponsored plan are reviewed, most often including investment options, fees, participant education programs, investment policies, recent investment changes, committee records, and plan structure and documentation. Periodic review meetings are held with the trustees.

Fees are charged based on the value of the plan assets. For more detail on fees, please see Item 5 - Fees and Compensation below.

Wrap Fee Programs

Our Firm does not provide portfolio management services to wrap fee programs.

Agreements

All of our services are provided under a written agreement outlining the services provided and our compensation. The client or the Firm may terminate an Agreement at any time upon 30-days prior written notice to the other party.

At termination, in the case of Investment Management and Wealth Management, fees will be billed on a pro-rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter up to the date of termination.

At termination, in the case of Financial Planning, fees will be due and payable for any agreed-upon work performed. Any plan or other work product created will be delivered to the client.

At termination, in the case of Fiduciary Consulting, fees will be billed on a pro-rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter up to the date of termination.

Item 5 – Fees and Compensation

Description

Our Firm bases its compensation upon the type of work performed. We may, at our discretion, waive minimum fees and/or charge a lesser fee based upon certain mutually agreed upon criteria such as historical relationship, type of assets, related accounts, account composition, negotiations with clients, and other factors.

Fee Billing

Asset Management

Investment Management and Wealth Management fees are charged based on the value of the invested assets under management. These fees are billed quarterly, in arrears, based on the average daily balance of the portfolio assets of the account managed by the Advisor as of the close of business on the last business day of the quarter. Fees are usually deducted from the designated client account at the client's custodian to facilitate billing. The client must consent in advance, in writing, to direct debiting of their investment account. The custodian will send a statement at least quarterly to the client which will include these fees.

The annual fee is based on a percentage of the investable assets according to the following schedule:

Amounts up to \$500,000	1.00%
\$500,001 to \$1,000,000	0.75 %
\$1,000,001 to \$5,000,000	0.625%
Amounts in excess of \$5,000,000	0.50%

Current client relationships may exist where the fees are higher or lower than the fee schedule above. A 20% discount is accorded to qualified charitable organizations.

Financial Planning

Financial Planning services fees are based on a fixed or hourly fee and will depend upon the type of Financial Planning services that we will provide. The fee for Financial Plan is predicated upon the facts known at the start of the engagement and the estimated complexity. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. The final fee to be paid will be disclosed within the financial planning agreement.

Project Fee (full Financial Plan) fees range from \$500 to \$5,000.

Hourly rate for limited scope engagements is \$250.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

All fees are payable and due upon the completion of the services to be provided.

Fiduciary Consulting

Fees applicable to Fiduciary Consulting services for retirement plans are based on the following schedule and may be negotiable based upon the facts and circumstances:

0.05% - 0.50% of plan assets. These fees are generally paid quarterly in arrears. However, there is the option to pay a flat fee, which is negotiated at the time of entering into the advisory relationship and stipulated in the service contract.

Other Fees

The Firm's advisory and management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that will be incurred by the client. Clients' brokers and/or custodians may charge brokerage commissions and/or transaction fees on purchases or sales of securities. Clients may also be charged miscellaneous fees for other custodial services including but not limited to: wiring funds, account closing, check request processing, overnight delivery, and trade away fees. These other charges will vary according to the agreement each client has with the broker and/or custodian. All fees paid to the Firm for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses.

At no time will the Firm accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Expense Ratios

In certain cases mutual funds, ETF's, and closed end funds may be part of a clients' investment portfolio. These investments generally charge internal management fees for their services. The expense ratio is disclosed in each fund's prospectus. It represents the percentage of a fund's assets used to pay the fund's management fee, administrative costs, 12b-1 distribution fees, and other operating expenses. An expense ratio of 0.50 means that the fund company charges 0.5% for its services. These fees are in addition to the advisory fees paid by you to the Firm. The Firm does not receive any portion of the expense ratio.

Performance figures quoted by mutual fund companies in various publications reflect net asset value (*after* the fund's fees and expenses have been deducted).

Termination of Agreement

Our Firm reserves the right to stop work on any account that is more than 90 days overdue. In addition, the Firm reserves the right to terminate any Financial Planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice.

Our Firm does not charge fees in advance.

Other Financial Industry Compensation

Certain advisory persons of the Firm are also licensed insurance professionals. Where acting in the capacity of an insurance agent, investment advisor representatives of the Firm may as broker or agent effect insurance transactions for typical and customary compensation from the various insurance companies whose products are sold. Insurance commissions earned in these transactions are separate and distinct from the Firm's advisory fees. This practice presents a conflict of interest by creating an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Our clients are under no obligation to use investment advisor representatives for insurance services and may use the insurance firm and agent of their choosing. However, in such instances there is no advisory fee associated with these insurance products and clients will be made aware of all commissions associated with the products prior to the transactions. A client may be able to invest in products recommended by the Firm directly, without the services of the Firm. In that case, the client would not receive the services provided by the Firm, which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives.

Item 6 - Performance-Based Fees and Side by Side Management

Sharing of Capital Gains

Fees are *not* based on a share of the capital gains or capital appreciation of managed securities.

Our Firm does not use a performance-based fee structure because of the potential conflict of interest since performance-based compensation may create an incentive for an adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7 -Types of Clients

Description

Our Firm generally provides advice to individuals, trusts, estates, and charitable organizations, as well as business clients.

Account Minimums

Our minimum account opening balance is \$250,000.

Our Firm reserves the discretion to waive the account minimum. Accounts with less than \$250,000 may be established when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$250,000 within a reasonable time. Other exceptions may apply to employees of the Firm and their relatives or relatives of existing clients.

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

Methods of Analysis

We structure our investment policy around a macro analysis of world markets, politics, and economies. These factors are then filtered through our combination of technical and fundamental criteria to identify sectors and companies that can be used to meet the varied objectives of our clients.

Development of Macro Themes - The development of our macro themes involves an evaluation of global trends, the analysis of relative levels of economic growth, the direction of interest rates, and the potential impact of political developments. We also study a variety of other related issues that become increasingly more significant as global technology brings national and regional economies closer and makes them ever more interdependent. We then evaluate strategies from our research partners to translate these themes into appropriate investment concepts within the various capital markets, both domestically and internationally.

Market & Sector Analysis – Within each theme, we analyze the anticipated impact the macro development concept will have in the various markets and segments of economies. We strive to identify areas across global industry sectors which offer the most appropriate risk-reward ratio for our potential asset allocation deployment.

Technical Analysis of Individual Companies – Technical analysis is a method of evaluating a company's securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Fundamental Analysis of Individual Companies – Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk. We utilize partner research to screen those companies whose prospects are favorable based

on current and projected fundamental valuations.

Whether for security selections within individualized client portfolio or in the analysis of mutual funds within the investment options of our fiduciary consulting clients, we combine this “top-down” macro-economic overview with “bottom-up” fundamental analysis to identify the relative value opportunities we believe offer the greatest risk-adjusted potential to meet our clients’ goals and objectives.

Investment Strategies and Risks

Although each portfolio strategy is designed to meet the articulated goals and objectives of individual clients, our predominant focus is on constructing global, balanced, and value oriented investment strategies. This generally means that most clients own a mix of domestic and international stocks, bonds, and funds that provide support for the Firm’s underlying investment allocations.

Through the Firm’s ongoing client reviews and consultations it may be determined that the client’s goals and objectives could have changed based on their evolving circumstances. This might result in a modification of their individual investment strategies.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client’s portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company’s fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor’s estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis

will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. However, investing in securities involves risk of loss that clients should be prepared to bear.

Our Firm does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

The following risks could affect the value of a client's investment:

Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar next year will not buy as much as a dollar today because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Options Contracts: Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Alternative Investments (Limited Partnerships): The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. Investors could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

Short Sales: A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers his short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Item 9 - Disciplinary Information

Legal and Disciplinary

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10 - Other Financial Industry Activities and Affiliations

Financial Industry Activities

Broker-Dealer / Commodities Affiliation

Neither our Firm nor any of its advisors or management persons are registered as a broker-dealer, registered representative of a broker-dealer, or affiliated with a broker-dealer.

Neither our Firm nor any of its advisors or management persons are registered as a commodities pool operator, futures commission merchant, or commodity trading advisor, or as an associated person of the foregoing entities.

Insurance Agency Affiliations

Certain advisory persons of the Firm are also licensed insurance professionals. Where acting in the capacity of an insurance agent, investment advisor representatives of the Firm may as broker or agent effect insurance transactions for typical and customary compensation from the various insurance companies whose products are sold. Insurance commissions earned in these transactions are separate and distinct from the Firm's advisory fees. This practice presents a conflict of interest by creating an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Our clients are under no obligation to use investment advisor representatives for insurance services and may use the insurance firm and agent of their choosing.

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

Code of Ethics

Our Firm is registered with the SEC and maintains a Code of Ethics (the "Code") that is intended to comply with the provisions of Section 204A and Rule 204A-1 under the Investment Advisers Act of 1940. The Code requires all Supervised Persons to adhere to certain standards of conduct. Specifically, the Code requires that these persons: (i) comply with all applicable laws, rules, and regulations, (ii) avoid any conflict of interest with regard to the Firm and its clients, (iii) avoid serving personal interests ahead of the interests of clients, (iv) conduct all of their personal securities transactions in compliance with the Code, (v) report any violations of the Code, and (vi) maintain, as appropriate, the confidentiality of non-public information. The Firm will provide a copy of the Code to any client or prospective client upon request.

Participation or Interest in Client Transactions

Our Firm and its supervised persons may not participate in or have a beneficial interest in any client accounts or transaction.

Personal Trading

Our Firm and its supervised persons may buy or sell securities that are also recommended to and/or held by clients. This practice creates a conflict of interest in that personnel of the Firm can take advantage of advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the investment advisor representatives. To mitigate these conflicts, the Firm has adopted a Code of Ethics as noted above. The Firm's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the Firm and themselves. The Firm requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment advisor representatives of the Firm may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, the Firm's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer of the Firm is Erica Bly. Erica's designee reviews all employee trades each quarter. Any issues noted will be forwarded to Erica for final review. These periodic reviews help ensure that personal transactions do not conflict with the interests of clients or affect the markets. Certain personal securities transactions must be pre-approved according to the Code.

Item 12 - Brokerage Practices

Selecting Brokerage Firms

Our Firm recommends that the client utilize the custodial services of Charles Schwab Institutional or TD Ameritrade Institutional for custodial and execution services or the administrator for defined contribution accounts. However, the client may select a different broker-dealer or custodian (herein the "custodian") to safeguard client assets and authorize the Firm to direct trades to these custodians as agreed in the Investment Advisory Agreement. Further, the Firm does have the discretionary authority to negotiate commissions on behalf of our clients on a trade-by-trade basis if they use the custodians our Firm recommends. Our Firm does not have this same discretion if the clients elect to use a non-recommended custodian.

Our Firm participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

Clients are not obligated to use the recommended custodians and will not incur any extra advisory fee or cost associated with using a custodian not recommended by the Firm. However, since the Firm does not have the ability to negotiate the fees charged by other custodians, the client may pay higher commissions from the custodian they selected than if they used a Firm-recommended custodian.

Our Firm may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the clients, services made available to the client, and location of the custodian's offices. The Firm does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the client paying higher commissions than those obtainable through other brokers. The Firm recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab Institutional and TD Ameritrade Institutional.

Our Firm *does not* receive fees or commissions for effecting transactions through any of these custodians. As an advisor on these institutional platforms, we receive economic benefits that would not be provided directly to a retail investor (See Item 14).

Best Execution

Our Firm reviews the execution of trades at each custodian regularly. The review is documented as described in the Firm's *Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. The Firm does *not* receive any portion of the trading fees.

Our Firm permits clients to direct brokerage at the Firm's sole discretion. In these instances, depending on the circumstances, we may be unable to achieve the most favorable execution of client transactions. Directing brokerage may cost clients more money than if we were to execute transactions at the broker-dealer where it has an established relationship. The client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

Soft Dollars

Our Firm has a soft dollar arrangement with Charles Schwab Institutional. Because soft dollar benefits could be considered to provide a benefit to the adviser that might cause the client to pay more than the lowest available commission without receiving the most benefit, they are considered a conflict of interest in recommending or directing custodial and third-party managerial services. We mitigate these conflicts of interest through strong oversight of soft-dollar arrangements by the Chief Compliance Officer, in order to assure the soft dollar benefits serve the best interests of the client.

Our Firm does *not* have an official soft dollar arrangement with TD Ameritrade Institutional. However, they may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services may assist the Advisor in its investment decision making process. Such

research generally will be used to service all of the Advisor's clients, but brokerage charges paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a Broker-Dealer a charge greater than another qualified Broker-Dealer might charge to effect the same transaction where the Advisor determines in good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

There may be other benefits from recommending Charles Schwab Institutional and TD Ameritrade Institutional such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting; contact management systems; third party research and publications; access to educational conferences, roundtables, and webinars; practice management resources; and access to consultants and other third-party service providers who provide a wide array of business-related services and technology with which we may contract directly.

Charles Schwab Institutional may also provide us with the following products/services:

- SchwabLink, a service that allows us to communicate electronically with Schwab. For example, it allows us to download account information, to place and allocate trades, and submit our advisory fees to Schwab for payment.

While we do not pay a fee for these products/services, all Client accounts may not be the direct or exclusive beneficiary of such products/services. Based upon the receipt of such services and information, we may have an incentive to select a broker-dealer based upon our desire to receive these services rather than receiving best execution for you. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker-Dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

Please see Item 14 – Client Referrals and Other Compensation, below, for a description of the services the Firm receives for participating in Institutional Advisor Platforms.

Order Aggregation

In some cases, the Advisor may aggregate orders for multiple accounts, in which each client receives the same average price in a transaction. In other cases, when it is more appropriate for the situation and client, the Firm may execute orders on an individual basis. Aggregating orders may help us conduct our portfolio management more efficiently and provide consistency in the price received by each client. Block trading is performed

when it is consistent with the duty to seek best execution and is consistent with the terms of the Firm's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Our Firm may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

Item 13 – Review of Accounts

Periodic Reviews

Informal account reviews are performed periodically by Advisors. Portfolio reviews may be performed more frequently when market conditions dictate. Those performing account reviews are also members of the Firm's Investment Committee. When reviewing accounts, they are instructed to consider the client's current holdings and the degree to which the performance of each security will contribute to the stated investment objectives of the client.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, a change in recommended asset allocation weightings in the account that exceed a predefined guideline, and changes in a client's own situation.

Regular Reports

Clients will receive, at least quarterly, account statements and other supporting reports from their chosen custodian, mutual fund complex, asset managers, trust companies or other custodians, insurance companies, broker-dealers, and others who are involved with client accounts.

Our Firm also makes available quarterly performance reports to clients who choose to receive them. These may be delivered either electronically or via mailings. Our clients may also receive other periodic updates and reports from us.

Clients are urged to compare the accounts statements they receive from the qualified custodian with the reports they receive from us. Any discrepancies should be immediately brought to the Firm's attention.

Item 14 - Client Referrals and Other Compensation

Incoming Referrals

Our Firm has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. The Firm does *not* compensate referring parties for these referrals.

Our Firm appreciates all of the client referrals over the years. These referrals have been made by current clients, other professionals (attorneys, accountants, etc.), friends and employees. We do not compensate referring parties for these referrals.

Referrals Out

When appropriate we may make referrals out to other professionals (attorneys, accountants, etc.) in furtherance of client goals. We receive no compensation for making these referrals.

When appropriate, we will refer clients to a third-party investment advisor, Alpha Architect, as part of a client's overall strategy. Our Firm will receive a referral fee in this case.

Item 15 - Custody

General

Our Firm does not accept or maintain physical custody of any client assets. All clients must place their assets with a qualified custodian. Clients select their own custodians for safekeeping of their assets and securities.

Our Firm is deemed to have custody of assets if the client authorizes us to instruct the custodian to deduct advisory fees directly from their account (please see Item 5, which describes the safeguards around direct fee deduction). In some instances, we are deemed to have custody when we have a standing letter of authorization from the client to make distributions from their brokerage account to third parties.

For more information about custodians and brokerage practices, please see Item 12 - Brokerage Practices, above.

Account Statements

As all accounts are held at qualified custodians, clients will receive, at least quarterly, account statements and other supporting reports from their chosen custodian, mutual fund complex, asset managers, trust companies or other custodians. These may be delivered either electronically or via mailings.

The Firm encourages clients to carefully review these statements upon receipt.

Performance Reports

Our Firm makes available quarterly performance reports to clients who choose to receive them. These may be delivered either electronically or via mailings. Our clients may also receive other periodic updates and reports from us.

Clients are urged to compare the accounts statements they receive from the qualified custodian with the reports they receive from us. Any discrepancies should be immediately brought to the Firm's attention.

Item 16 - Investment Discretion

Discretionary Authority for Trading

Our Firm generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by us.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by our Firm will be in accordance with each client's investment objectives and goals.

Limited Power of Attorney

A Limited Power of Attorney allows us trading authority at our clients' chosen custodian. Clients must sign this Limited Power of Attorney in order for us to execute trading and implementation of their approved investment strategy.

Item 17 - Voting Client Securities

Proxy Voting

Our Firm does not have the authority to vote securities proxies, therefore, Client accepts the ongoing responsibility for voting shares based on the materials received directly from custodian. As Client's agent and attorney-in-fact, the Firm is granted full power and discretion to endorse, transfer, or deliver Portfolio securities and to provide expertise and counsel, when asked, on proxy issues. The Firm does not engage in voting proxies for client accounts, however, Client may contact us about proxy-related and other corporate actions which can include proposed mergers, tender offers, consolidations, reorganizations, liquidations, stock splits, or spin-offs and we will act in a consultative role. If a direct or indirect conflict of interest exists, it will be disclosed to Client or Client's agent. The Firm will always act in accordance with its fiduciary capacity by recommending what is best for Client's Portfolio.

Although our Firm does not vote proxies, we engage the services of Institutional Shareholder Services (“ISS”) to provide class action litigation and claims filing services for our clients whose accounts are held in custody at T.D. Ameritrade and Charles Schwab & Co. ISS will address any and all potential claim situations. Additionally, they will ensure that every claim to which each of our clients are entitled will be addressed, submitted and funds collected and deposited into the client’s account. ISS will charge a contingency fee of 15% of each award for their services.

Item 18 - Financial Information

Financial Condition

Our Firm does not require or solicit prepayment of fees of more than \$1,200 per client, six months or more in advance, and is not required to file a balance sheet.

Our Firm has discretionary authority over client accounts and is not aware of any financial impairment that will preclude the Firm from meeting contractual commitments to clients. If the Firm does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Our Firm has never been subject to a bankruptcy petition.