

# KIPLINGER WEALTH ADVISORS

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FORM ADV PART 2A  
FIRM BROCHURE  
MARCH 22, 2024

This brochure provides information about the qualifications and business practices of Kiplinger Investment Advisors, LLC dba Kiplinger Wealth Advisors. If you have any question about the contents of this brochure, please contact us at (937) 886-1442. 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.

Kiplinger Wealth Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Kiplinger Wealth Advisors is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Kiplinger Wealth Advisors' CRD number is 116726.

## ITEM 2 - MATERIAL CHANGES

We have the following material changes to report since our last annual update filing done on March 29, 2023:

- On January 2, 2024, we registered with the U.S. Securities and Exchange Commission.

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## ITEM 4 – ADVISORY BUSINESS

### OWNERSHIP/ADVISORY HISTORY

Kiplinger Investment Advisors, LLC dba Kiplinger Wealth Advisors (“we”) is an investment advisor registered with the State of Ohio’s Division of Securities. We became registered as an investment advisor in September 1998 and subsequently became registered with the U.S. Securities and Exchange Commission in January 2024. Brad Kiplinger is our Managing Member and Chief Compliance Officer. Additional information about Mr. Kiplinger can be found under Item 19 along with his Supplemental Brochure.

### ADVISORY SERVICES OFFERED

#### FINANCIAL PLANNING

Our comprehensive financial planning service involves a review of your financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of questionnaires we will collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, we tailor your financial plan and advice we give to you. Our advice may cover any of the following topics:

- Personal: Family records, budgeting, personal liability, estate information, divorce planning, college planning and financial goals analysis.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help you achieve your retirement goals. Retirement planning could include the review of qualified and non-qualified retirement plans and strategies.
- Investments: Analysis of investment alternatives, asset allocation strategies and their effects on your portfolio.
- Life Insurance: Analysis of current and future insurance needs.
- College Planning: Analysis of your college funding and planning situations along with recommendations of academic and financial strategies to increase your cash flow, which can be used to reduce college expenses and help maintain your retirement goals.

You will receive a written financial plan upon request following our meetings, the engagement is then concluded.

We also offer financial consulting services where we focus on a single topic or multiple topics as identified in our meetings with you. The chosen topics are written in the financial planning and consulting agreement. Typically, we meet with you to discuss your questions, conduct research on the chosen topics and present the findings to you through a second meeting. Upon completion of the delivery of the recommendation, the engagement is concluded.

### ASSET MANAGEMENT SERVICES

Our asset management services are provided on a discretionary or non-discretionary basis to assist with the ongoing management of your investment accounts. We work with you to understand your investment objectives, time frame and risk tolerance. With this information, we will create a customized portfolio for you. We base our recommendations on a variety of factors including but not limited to performance, risk, tax efficiency of different investment strategies as well as your input and preferences regarding the strategies.

When we participate in the Model Marketplace of Altruist LLC, an SEC-registered investment adviser and affiliate of Altruist Financial LLC, we have access to model portfolios including Altruist LLC-generated portfolios and Third-Party Portfolios, to assist us in managing or advising on your accounts. Altruist LLC and its affiliates do not act as your investment adviser or fiduciary. We are responsible for suitability of all investment decisions and transactions for your accounts subscribed to model portfolios through the Model Marketplace.

### USE OF SUB-ADVISERS

When deemed appropriate, we recommend the services of a Sub-adviser to manage some or all of your assets on a discretionary basis. In these situations, we provide consulting and advisory services in overseeing such sub-advisers. We make recommendations regarding the use of a Sub-adviser and their investment style based on, but not limited to, your financial needs, long-term goals, and investment objectives.

The sub-adviser offers multiple model portfolios. Once a Sub-adviser is selected, we continue to monitor them to ensure that they adhere to the philosophy and investment style for which they were selected. We will retain discretionary authority to hire and fire the sub-adviser and, when necessary, reallocate your assets to a new sub-adviser. A complete description of the Sub-adviser's services and fees will be disclosed in the sub-adviser's Form ADV Part 2A or equivalent brochure which will be provided to you.

### PARTICIPANT ACCOUNT MANAGEMENT (DISCRETIONARY)

As part of our Investment Management Services, we use a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. The platform allows us to avoid being considered to have custody of client funds since we do not have direct access to client log-in credentials to affect trades. We are not affiliated with the platform in any way and receive no compensation from them for using their platform. A link will be provided to the client allowing them to connect an account(s) to the platform. Once client account(s) is connected to the platform, we will review the current account allocations. When deemed necessary, we will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve the account performance over time, minimize loss during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly, and allocation changes will be made as deemed necessary.

## RETIREMENT PLAN CONSULTING

KWA offers investment advisor services relative to employee benefit plans subject to the *Employee Retirement Income Security Act of 1974 (ERISA)*, as amended, and that are qualified under Section 401(a) of the *Internal Revenue Code of 1986*, as amended. The services may be both fiduciary and non-fiduciary in nature. Under a Retirement Plan Advisory agreement, the plan sponsor and named fiduciary may request our advisory representatives to provide any of the following services:

### *Fiduciary Services*

#### A. Non-Discretionary Advisory Services

1. **Assessment of Investments.** Our advisory representative conducts an initial and/or periodic review of plan investments and investment options including, without limitation, investment performance, fund expenses and style drift for investments offered by the plan to participants. Our representative also provides periodic suggestions to the named fiduciary, as deemed warranted by the representative, regarding other investment options for the plan to make available to its participants. Decisions regarding plan options are the sole and exclusive decision of the named fiduciary and/or their delegate.
2. **Participant Investment Advice.** Our advisory representative meets at least annually with plan participants to deliver investment advice based upon the plan participant's individual financial situation, investment objectives and tax status. This advice is provided according to the terms explained in an *Eligible Investment Advice Arrangement* between us and the plan sponsor/named fiduciary. This advice is intended to be provided in a manner that qualifies as an exemption from the prohibited transaction rules provided under ERISA Section 408(b)(14) and (g). Our representative prepares recommendations regarding the appropriate amount of contributions and choice of investments and provides these to plan participants. The plan participant has the sole discretion whether or not to implement the recommendations.

Our advisory representative may also provide plan participants with comprehensive financial planning services. These services are provided under a separate agreement and may include, but are not limited to: retirement planning, education planning, planning for major purchases, life and disability insurance needs, long-term care needs, and/or estate planning issues. Under the terms of that separate agreement, the plan participant may receive a written financial plan from our representative that may include investment advice concerning the plan participant's plan assets as well as his or her assets held outside of the plan.

#### B. Discretionary Advisory Services

1. **Default Investment Alternative Management.** Your representative develops and actively manages qualified default investment alternative(s) ("QDIA"), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), to allocate the assets of plan participant accounts to achieve varying degrees of long-term appreciation and capital

preservation based upon the plan participants' age, target retirement date or life expectancy, through a mix of equity and fixed income exposures, offered through investment alternatives available under the plan.

2. **Investment Manager to Plan.** Your representative meets with the named fiduciary and/or their delegate to select approved asset classes, and maintains model portfolios on a discretionary basis, including the investing, rebalancing of assets, changing of the asset allocations, or changing the underlying model portfolios. Your representative recommends, maintains and periodically updates the list of mutual funds to the plan for inclusion as investment options available to plan participants. The named fiduciary appoints us and the representative as an "investment manager." To the extent we provide discretionary advisory services under the Retirement Plan Advisory Agreement, we will acknowledge our status as "investment advisor" for purposes of ERISA Section 3(38). The representative has full discretion over fund changes within the approved asset classes and will reasonably communicate his or her decisions to the named fiduciary. This authority is exercised only in accordance with objectives established by the named fiduciary as may be amended from time to time and in accordance with additional written guidelines and/or investment policies provided by the named fiduciary. Otherwise, the named fiduciary must approve changes to the asset classes. Unless otherwise directed by the named fiduciary, the representative will arrange for the execution of securities transactions for the plan through brokers or dealers that the representative reasonably believes will provide the best execution;

#### *Non-Fiduciary Services*

1. **Participant Education and Communication.** Our advisory representative conducts an initial and/or periodic enrollment and informational meeting(s) with plan participants and provides investment education. In accordance with the Department of Labor's Interpretative Bulletin 96-1, our representative may provide plan participants with information about the plan, general financial and investment information and information and materials relating to asset allocation models available through the plan. Our representative may also provide plan participants with interactive investment materials to assist plan participants in assessing their future retirement income needs and the impact of different asset allocations on retirement income. The representative does not render individualized investment advice to plan participants and is not held to a fiduciary standard for services rendered hereunder.
2. **Strategic Planning and Investment Policy Services.** Our representative meet with the named fiduciary to gather information regarding the plan's investment policies and objectives and assist the named fiduciary in developing a written investment Policy Statement (IPS). This assistance may include using a template developed by a third party. Alternatively, if the plan has an existing IPS, our representative reviews the IPS and assists the named fiduciary in determining whether the plan is performing consistent with the IPS and/or whether the IPS needs to be revised. This determination is based on an analysis of the plan's asset class and risk tolerance guidelines, liquidity requirements and performance goals of the plan, using

information provided by the named fiduciary. Our representative does not render individualized investment advice to the plan for services rendered and so are not be held to a fiduciary standard with respect to such services. The named fiduciary retains sole discretion to implement the objectives of the IPS and the representative cannot guarantee that the plan will achieve its investment objectives.

3. **Plan Establishment/Conversion.** Our representative assists the named fiduciary in researching and evaluating the employer's needs to facilitate the named fiduciary's selection of a well-suited plan. The representative's primary role is to present retirement plan providers which make the investment options available to the plan or deliver the investments on a platform and which can address services separately or which may offer bundled and integrated delivery of retirement plan support. Our representative assists the employer and/or named fiduciary in identifying different types of retirement plans, plan documents and other materials and services necessary to establish, maintain or convert a retirement plan. The representative does not render individualized investment advice to the plan when providing these services and so is not held to a fiduciary standard with respect to any services rendered.

Our representative meets with the named fiduciary to assist with plan conversion to alternate vendors. The representative may also assist in preparing Requests for Proposals (RFP) from prospective new vendors and may assist the named fiduciary in reviewing and comparing responses to RFPs. The representative does not render individualized investment advice to the plan for services rendered hereunder and so is not held to a fiduciary standard with respect to such services. The named fiduciary retains sole discretion regarding whether to replace existing vendors and/or contract with new vendors.

4. **Plan Review.** Our representative meets with the named fiduciary and conducts a review of the IPS and plan design and offers recommendations to the named fiduciary regarding plan operation and documentation. The representative does not provide legal advice to the named fiduciary and the named fiduciary is encouraged to have legal counsel review all plan documentation. The representative does not render individualized investment advice to the plan for services rendered hereunder and so is not held to a fiduciary standard with respect to such services.
5. **Plan Fee and Cost Review.** Our representative meets with the named fiduciary and conducts a periodic review, using a third-party tool, of fees and costs charged to the plan by other service providers to assist the named fiduciary in discharging its duty to monitor the reasonableness of fees and costs paid by the plan. Our representative does not render individualized investment advice to the plan for services rendered hereunder and so is not be held to a fiduciary standard with respect to such services.
6. **Third Party Service Provider Liaison.** Our representative acts as liaison for the plan and the named fiduciary, on an as-needed basis, when dealing with the trustee, custodian, plan actuary, tax, legal, accounting or other third party service providers to plan. The representative does not render individualized investment advice to the plan for services rendered hereunder and so is not be held to a fiduciary standard with



respect to such services. The named fiduciary retains sole discretion whether or not to hire and/or terminate the third party providers.

Generally, a third-party custodian maintains custody of funds and securities. You authorize us to deduct fees directly from your accounts to pay for investment management services. In these cases, we are considered to have limited custody of your assets.

#### TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. Clients may impose restrictions on investing in certain securities or types of securities.

#### WRAP PROGRAM

Our asset management services are considered a wrap fee program. Please see our Appendix 1 to this firm brochure for additional information.

The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account.

For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.

In order to evaluate whether a wrap fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Program Fee and any other costs associated with participating in our Wrap Fee Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and execution costs, and custodian services comparable to those provided under the Wrap Fee Program.

**Conflict of Interest.** When managing a client's account on a wrap fee basis, we receive as compensation for our investment advisory services, the balance of the total wrap fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, we have a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee. Schwab and other custodians have eliminated commissions and transaction fees for online trades of U.S. Equities, ETFs and options (subject to a \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).

## CLIENT ASSETS MANAGED

As of February 8, 2024, we manage \$189,133,302 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

### FINANCIAL PLANNING CONSULTATION SERVICES

Financial planning consulting services generally cost between \$300 and \$10,000. The fixed fee varies depending on the nature and complexity of your individual circumstances and the number of areas covered by the written financial plan. In some instances, depending on the complexity of the services to be provided, we may charge a retainer fee of 25% of the total fee. The remainder of the fee will be due upon completion and presentation of the plan. If no retainer fee is charged, fees will be due and payable upon completion and presentation of the plan. Financial Planning fees are negotiable; your agreement will show the amount you will be charged to complete the scope of services. We will then determine how the fee is to be paid.

### ASSET MANAGEMENT SERVICES

The annual management fee ranges from 0.70% to 2.00% and is negotiable. The exact fee or fee schedule charged is disclosed to you prior to services being provided. We may “bundle” related accounts to achieve a break on management fees. Account bundling can be done only on accounts with the same fee schedule and with clients in the same immediate family or under the same qualified plan. When accounts are bundled monthly custodian reported account balances for all of bundled accounts is used to determine the fee percentage from the fee schedule. The percentage is then applied to each account and a fee is charged to each respectively. Certain clients may be billed based on previous retired fee schedules.

Typically, management fees are automatically deducted from your account according to an authorization provided in the client agreement. On an exception basis, you may have management fees paid from other accounts or have us bill you directly by invoice. In such cases, the management fee is noted as zero on your custodial statements.

Management fees are billed monthly in advance except for the initial fee. The initial fee is billed in arrears, prorated based on the number of days those services were provided during the first billing period. This initial fee is billed at the same time the first full period fee is billed in advance. Management fees are calculated at the beginning of each calendar month based on the custodian reported account value as of the last business day of the previous month. The fee calculation does not take into account unpriced securities held in the account or days when the account has a zero balance.

We will ask you to authorize us with the ability to instruct the custodian to directly deduct our management fee from your account. You may cancel this authorization at any time. Please Item 15 – Custody for additional details regarding fee deduction.

Clients in the Participant Account Management program will have their fee deducted from another account that we manage. However, clients can request to pay by check or third-party payment vendor. These clients will receive a fee invoice that details how the fee was calculated,

the amount on which the calculation was based, the period the fee covered and the fee. The invoice will be due within 30 days of receipt.

Our management fee includes some custodian fees. Our recommended custodian, Altruist Financial LLC, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the introducing broker to Apex Clearing Corporation, an unaffiliated SEC registered broker dealer and FINRA/SIPC member, charges a monthly fee of \$1 per account. We pay that fee for our clients. The client may incur other charges imposed by the custodian such as wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees, and commissions are exclusive of and in addition to our fee and we do not receive any portion of these charges, fees, or commissions. Please see Item 12 – Brokerage Practices for additional information.

#### RETIREMENT PLAN CONSULTING SERVICES

Fees for retirement plan consulting services can be paid as an asset-based fee (or level commissions in lieu thereof) or as a flat fee paid on a set schedule. Details of the compensation calculation and payment methods are disclosed in the investment product prospectus and/or contract, fee schedule and/or client agreement are executed when the account is established.

Management fees are calculated by the plan sponsor on our behalf. Management fee may be calculated in arrears based on the previous period ending balance or in advance based on the value at the end of the period. We may provide an invoice to the plan sponsor within 10 business days following the end of the calendar billing period or the plan sponsor may authorize us, the investment provider or other third-party to authorize the payment of management fees. Actual payment for investment management services provided will be outlined in the Retirement Plan Agreement. Fees are due within 30 days of receiving the billing notice. Any fees remaining unpaid for 30 days after receipt of notice may be charged to the plan. The plan sponsor is responsible for verifying the accuracy of the fee calculation.

On an exception basis, if you have an account established through our firm, the plan may have its management fees paid from other accounts or have us bill the plan directly by invoice. In such cases, the management fee is noted as zero on the plan's custodial account statements non-investment assets; the purchase of a lifetime immediate annuity; expenditures of funds for travel or other activities; investment in private equity investments (private real estate ventures, closely held businesses, etc.), and the amount of funds to place in non-managed cash reserve accounts. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interest, disregarding any impact of the decision upon our firm.

#### TERMINATION OF SERVICES

Any services may be terminated at any time, for any reason, by either of us. Services provided under the Agreement will continue until either you or we give written notice of termination to the other party. Termination is effective upon receipt of notice, although transactions in progress will be completed in the normal course of business. If we receive a request to terminate and liquidate your account, we have up to 72 hours to begin liquidating. Upon termination any

prepaid, unearned management fees will be calculated and promptly refunded based upon the number of days remaining in the billing period after the termination date. Fees owed will be promptly deducted from the account or will be invoiced accordingly if there are no assets in the account. Subsequent transactions in a closed account are subject to the custodian's normal closing fees or other costs. For general information as to how fees are assessed, please refer to the specific program listed in the section titled "Fees." For financial planning fees paid in advance will be refunded on a prorated basis based on the time and effort expended by us prior to receipt of the notice of termination. If no fees are paid in advance, you will be responsible for payment upon receipt of a bill from our firm.

#### OTHER SECURITIES COMPENSATION

Some of our associates are registered representatives of Private Client Services, LLC, a registered broker-dealer, and member FINRA/SIPC. Through Private Client Services, LLC, they may sell securities to you for a commission, which are separate from the fees outlined above. The commissions give them a financial incentive to recommend the sale of securities to you. We attempt to mitigate any conflicts of interest to the best of our ability by placing your interests ahead of our own and through the implementation of policies and procedures that address the conflict. Additionally, you are informed that you always have the right to choose whether to act on the recommendation and you always have the right to purchase securities through any registered representative or broker-dealer.

As established in Item 10.D. – Other Industry Affiliations, earning commissions for the sale of insurance products also creates a conflict of interest for the firm. The commissions give a financial incentive to recommend and sell you the insurance products. We attempt to mitigate the conflicts of interest to the best of our ability by placing your interests ahead of our own and through the implementation of policies and procedures that address the conflict.

#### ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

#### ITEM 7 – TYPES OF CLIENTS

We offer our services to individuals, banks or thrift institutions, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities, and state and municipal governmental entities.

We require a minimum account size of \$25,000; however, this may be waived at our discretion.

#### ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

An account's investment management is determined by your stated investment objectives (i.e., current income, balanced, growth and income, growth, and maximum growth). Your representative is responsible for developing and determining the investment strategies that will be used when managing your accounts. This strategy is based on your individual financial situation, goals, and objectives. Your representative is responsible for monitoring your portfolios

and, when appropriate, reallocating the portfolios based on changing market conditions, changes in your individual circumstances, or other factors. If the account is managed on a non-discretionary basis, your representative will consult you prior to reallocating securities in the account. Reallocations are implemented in discretionary accounts without prior notice to clients.

If your individual situation changes, you should notify your representative, who will assist you in revising the current portfolio and/or prepare an updated client profile so that he/she can determine if a different model portfolio would be appropriate to your new situation. You may also directly contact the third-party advisor managing the account.

It is important that you understand the concept and risks inherent in exchanging an investment from one position to another. Some investment decisions result in profit and others in losses. Our firm and your representative cannot guarantee that the objectives of any investment program will be achieved. Furthermore, it is important that you understand that the exchange of shares of one mutual fund for shares of another mutual fund is treated as a sale for federal income tax purposes, and that capital gains or losses may be realized unless you are eligible for tax deferral under a qualified retirement plan.

#### METHODS OF ANALYSIS

When we manage your portfolio, we use up to four methods of analysis, which are charting, fundamental, technical, and cyclical.

Charting analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Charting analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis, that despite the appearance that a security is undervalued, it may not rise in value as predicted.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus amount technical traders on the best method of identifying future price movements.

Cyclical Analysis is a method of evaluating business or economic cycles. The broad economy or its segments have been shown to move in cycles. The cyclical analyst looks for those cycles in which to invest. The risk associated with cyclical analysis is that the cycles vary and shifts in the cycles may not be immediately identified.

## INVESTMENT STRATEGIES

Our management services employ strategic and tactical asset allocation portfolios.

Strategic asset allocation is a portfolio strategy that involves setting target allocations for various asset classes and rebalancing periodically. The portfolio is rebalanced to the original allocations when they deviate significantly from the initial settings due to differing returns from the various assets. The target allocations depend on several factors, such as the investor's risk tolerance, time horizon and investment objectives, and may change over time as these parameters change. Strategic asset allocation is compatible with a buy-and-hold strategy, as opposed to tactical asset allocation that is more suited to an active trading approach.

Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is as a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved. The risk associated with tactical asset allocation is that each class has different levels of risk and return, so each will behave differently over time. There is no guarantee that moving additional assets into an asset class will grow a portfolio.

## INVESTMENT RISKS

Investment portfolios, programs, models, asset allocations or strategies entail the risk of loss that you should be prepared to bear; and values and returns will fluctuate over time. While we seek to limit any losses, there have been periods of loss in the past, and there will likely be others in the future. Our firm and our representatives emphasize that investment returns, particularly over shorter time periods, are highly dependent on trends in the various investments markets. Thus, our investment management services are generally suitable only for long-term investment objectives or strategies, rather than for short-term trading purposes. Diversification does not guarantee a profit or guarantee to protect you against loss, and there is no guarantee that your investment objectives will be achieved. These programs, portfolios, models, asset allocations and strategies are not FDIC insured and the investments in them may lose value. All investment programs have certain risks that are borne by you. Our investment approach constantly keeps the risk of loss in mind. You face the following investment risks:

- **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:** The risk is that the rate of inflation will exceed the rate of return on an investment.

- 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 generally carry a higher risk of profitability than an electric company, which may generate much of 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.

You should understand that there are risks inherent in all financial decisions and transactions, and that there is no guarantee that your investment objectives will be achieved. Our firm makes no promises, representations, warranties or guarantees that any of its services to be rendered will result in a profit to you. We do not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy that our firm may use or the success of our overall management. You should understand that investment decisions made for you by our firm are subject to various market, currency, economic, political and business risks and that those investment decisions will not always be profitable. You should understand that our firm and your representative will not be liable for any loss incurred with respect to your account, except where such loss directly results from such party's negligence or malfeasance. Nothing in this section is intended to be a waiver of any right of action you may have under applicable securities laws or your rights in the event we and your representative breach any fiduciary duty owed to you.

#### ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. We do not have any information applicable to this Item.



## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### BROKER DEALER AFFILIATION

As disclosed in Item 5, some of our associates are registered representatives of Private Client Services, LLC, a registered broker-dealer, and member of FINRA/SIPC.

### FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures and commodities broker.

### OTHER INDUSTRY AFFILIATIONS

Our owner and associates may be licensed insurance agents. They may recommend the purchase of insurance products to you. This other business activity pays them commissions that are separate from the fees described in Item 5, above. The commissions give them a financial incentive to recommend and sell you the insurance products. They attempt to mitigate this conflict of interest to the best of their ability by placing your interests ahead of their own and through the implementation of policies and procedures that address the conflict. Additionally, you are informed that you always have the right to choose whether to act on the recommendation and you have the right to purchase recommended insurance through any licensed insurance agent.

### RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

We may recommend the services of Third-Party Advisers; this information can be found under Items 4 and 5. We will ensure that the Sub-adviser is properly registered or exempt from registration in your state of residence prior to making any recommendation.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

### MATERIAL INTEREST IN SECURITIES

We do not have material financial interest in any securities.



## INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our staff is permitted to engage in personal securities transactions. These transactions create potential conflicts of interest if they were to trade in advance in a security that is owned by you or considered for purchase or sale on your behalf. We have adopted policies and procedures that are reasonably designed to effect transactions for you in a manner consistent with the fiduciary duty owed to each client. Our staff who buys and sells the same securities bought or sold for a client may do so only if they comply with the firm's written policies and procedures.

## ITEM 12 – BROKERAGE PRACTICES

### THE CUSTODIANS AND BROKERS WE USE

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, and Altruist Financial LLC, an unaffiliated SEC-registered broker dealer and FINRA/SIPC member, as the introducing broker to Apex Clearing Corporation, an unaffiliated SEC registered broker dealer and FINRA/SIPC member (“Altruist”) as the qualified custodians.

We are independently owned and operated and are not affiliated with Schwab or Altruist. Schwab or Altruist will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or Altruist as custodian/broker, you will decide whether to do so and will open your account with Schwab or Altruist by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab or Altruist, and we anticipate that most trades will be executed through Schwab or Altruist, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”). How we select brokers/custodians

We seek to recommend Schwab or Altruist, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab and Altruist provide are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

#### YOUR BROKERAGE AND CUSTODY COSTS

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging us commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. In addition to commissions, Schwab charges us a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation we pay the executing broker-dealer. Because of this, to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

#### PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

**Services that benefit you.** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

#### OUR INTEREST IN SCHWAB'S SERVICES

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

We offer advisory services through the custodian platform offered by Altruist Financial LLC (“Altruist”). You may establish brokerage account through Altruist. We maintain an institutional relationship with Altruist whereby Altruist provides certain benefits to us, including a fully digital account opening process, a variety of available investments and integration with software tools that can benefit us and our clients.

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. Please see Item 12, above and Item 14 for economic benefits received through Charles Schwab and the participation Altruist’s Advisor Tech Collection program.

#### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

#### DIRECTED BROKERAGE

We do not allow directed brokerage.

#### TRADE AGGREGATION

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and your account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client’s accounts, and the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, purchasing securities around the same time may receive a less favorable price than other clients. This means that the practice of not aggregating may cost you more money.

### ITEM 13 – REVIEW OF ACCOUNTS

#### PERIODIC REVIEWS

Our owner and/or associates review client portfolios at least annually. Financial planning reviews are only conducted if the client contracts us by entering into a new agreement for our services.

#### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client’s financial situation (such as retirement, termination of employment, relocation or inheritance).

#### REPORTS

We will prepare an annual position/performance report at your request or at our discretion based on the complexity of your financial situation. If you receive performance reports from your representative, we urge you to compare the account statements received directly from your

custodians to the performance report statements provided by our firm or your representative. Inquiries or concerns regarding your account, including performance reports, should be directed to our firm or your representative.

Additionally, you will receive a written financial plan if you engage in our Financial Planning Consulting services.

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

### OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

We maintain an institutional relationship with Altruist whereby they provide certain benefits to us (“Support Services”). Altruist pays for or reimburses us for the costs of certain technology solutions to help facilitate our practices and to streamline our operations. The payments may be substantial and are based on our clients adding and/or transferring to and maintaining a certain amount in assets on Altruist’s platform. The benefits provided to or on our behalf will not directly benefit client accounts. The fees we charge will not be reduced by the value of the Support Services we receive. The benefits provided to us are compensation in connection with providing advice to clients and therefore should be considered in assessing the reasonableness of the compensation arrangement between us and our clients. Access to such economic benefits creates a financial incentive for us to maintain client accounts through Altruist, which results in a conflict of interest.

### CLIENT REFERRALS

We enter into agreements with promoters (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with the SEC’s Marketing Rule 206(4)-1. If a referred client enters into an investment advisory agreement with us, and a cash referral is paid to the referring party, such fee will be paid as a percentage of the client advisory fees that are generated. Typically, that fee ranges from 10% to 40% of the client advisory fee with the exact fee disclosed in the promoter’s disclosure document. Written disclosure regarding the referral fees we pay are provided to you prior to or at the time of entering into our investment advisory or financial planning agreements. In those states that require promoters to be licensed or filed as a registered investment advisor, we may require the promoter to be licensed or filed under our registration.

The compensation to be paid in connection with these agreements is subject to negotiation between our firm, our investment adviser representative, and the referring party. The referral agreements between any referring party and us do not result in any charges to you in addition to the normal level of advisory fees charged. However, these situations may create a financial

incentive to recommend one advisory service over another or over other investment advisors and broker/dealer programs, products and services. Our investment adviser representative or an independent investment advisor firm recommending our programs receives compensation because of your participation in our programs.

#### ITEM 15 – CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab or another custodian to deduct our advisory fees directly from your account.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them.

#### ITEM 16 – INVESTMENT DISCRETION

We offer discretionary and non-discretionary investment management services. With discretionary investment management services, you will sign a client investment management agreement that includes a limited power of attorney that allows us to select the securities to be bought and sold and the amount of securities to be bought and sold in your account(s). It also allows us to place each such trade without your prior approval. In addition to our investment management agreement, your custodian may request that you sign the custodian's limited power of attorney prior to their execution. This varies with each custodian. We will discuss all limited power of attorney prior to their execution. In all cases, however, such discretion is to be exercised in a manner consistent with the state investment objectives for the client's account, and any other investment policies, limitations or restrictions.

A non-discretionary investment account means you retain full discretion to supervise, manage, and direct the assets of the account. You maintain full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the Account in any manner deemed appropriate and to place all orders for the purchase and sale of Account assets with or through brokers, dealers, or issuers selected by you. You are free to manage the account with or without our recommendation and all with or without our prior consultation.

#### ITEM 17 – VOTING CLIENT SECURITIES

We do not vote proxy votes for any client. All proxy materials are mailed or emailed directly to the client from the custodian. Any proxy materials received by us will be forwarded to clients for response and voting. In the event the client has a question about a proxy solicitation, the client should feel free to contact us.

## ITEM 18 – FINANCIAL INFORMATION

### BALANCE SHEET

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

### FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

### BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.