

## Item 1 Cover Page



### FORM ADV PART 2A

SC&H Wealth  
a doing business as name of

SC&H Financial Advisors, Inc.  
910 Ridgebrook Road  
Sparks, MD 21152  
P: (410) 403-1500

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

March 27, 2024

This Brochure provides information about the qualifications and business practices of SC&H Financial Advisors, Inc. ("SC&H"). If you have any questions about the contents of this Brochure, please contact us at (410) 403-1500 and/or [SCHFACompliance@schgroup.com](mailto:SCHFACompliance@schgroup.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 SC&H also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for SC&H Financial Advisors, Inc. is 120666.

Any references to SC&H as a registered investment adviser or any other references to being registered does not imply a certain level of skill or training.

## Item 2 Material Changes

Changes since the last annual updating amendment of the SC&H Wealth Form ADV Part 2A filed on March 31, 2023 include:

- Using the doing business as name of SC&H Wealth under our legal entity, SC&H Financial Advisors, Inc.
- Updates to the hourly rates that SC&H Wealth charges for certain types of services.

We do not consider the above, or any other changes to this document, to be material.

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## Item 4 Advisory Business

SC&H Wealth is a doing business as name of SC&H Financial Advisors, Inc. (hereinafter referred to as "SC&H"), an investment advisory firm offering a variety of advisory services customized to your individual needs.

SC&H was founded in 1998. SC&H is owned by SC&H Group, Inc., our parent company. SC&H Group, Inc. is owned by the SC&H Group, Inc. Employee Stock Ownership Plan, for the benefit of its employees.

SC&H also offers advisory services through the doing business as name of SC&H Core.

Throughout our history, the objective of SC&H has been to deliver independent tax, financial planning, and investment advice to our clients. To meet these objectives, we have assembled a team of Certified Public Accountants, CERTIFIED FINANCIAL PLANNER™ professionals, and other financial specialists in the areas of income and estate tax planning and compliance, estate and trust administration, asset management, and holistic financial planning. SC&H offers the following advisory services.

### **Financial Planning Services**

SC&H will review your financial situation and make recommendations based on your current situation, expectations, investment objectives, and investment time horizon. At the same time, your risk tolerance (or ability to live comfortably with risk in association with investments) will be considered. A written plan may then be presented to you, along with an outline of suggestions to improve your current financial situation, as well as suggested steps to help you work toward your investment goals.

Financial planning may cover any or all of the following areas:

- Tax Planning, Compliance and Consulting Services
- Retirement Planning
- Education Funding
- Budget Analysis
- Net Worth Analysis
- "Windfall" Planning
- Asset Allocation
- Estate Planning (Including Tax and Liquidity Planning)
- Special Needs Planning
- Asset Management
- Life Insurance Needs Analysis
- Business Succession or Exit Planning
- Wealth Transfer Planning
- Other areas of importance

A client's financial plan could include any or all of the areas listed above, depending on your personal situation and needs. Upon request, other areas of concern to you or for which you may seek advice will be reviewed by SC&H or outsourced to other experts for their review (only with your prior approval). The financial plan may include specific financial and investment strategies as well as specific product recommendations, including equity, fixed income, cash management and insurance products.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to SC&H. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is no guarantee of future performance. SC&H cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives, or changes in the economy and financial markets. Should your financial situation or investment goals or objectives change, you must notify SC&H promptly of the changes. You are advised that the advice offered by SC&H may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through SC&H or its representatives. Unless specifically agreed in writing, neither SC&H nor its representatives are responsible to implement any financial plans or financial planning advice; provide ongoing financial planning services; or provide ongoing monitoring of financial plans or financial planning advice. However, you are always welcome to revisit the financial plan or financial planning advice with SC&H, if desired. Clients retain absolute discretion over all financial planning and related implementation decisions and are free to accept or reject any recommendation from SC&H and its representatives in that respect. SC&H's financial planning and consulting services are completed upon communicating its recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement.

Clients may opt to only receive financial planning services. Clients that opt to receive asset management services, as described below, will also be encouraged to participate in a financial planning process.

### **Asset Management Services**

SC&H offers two options for asset management services: SC&H Wealth Management for clients that have accumulated significant investment assets and SC&H Core for those clients that are still in the accumulating stage of their life. Additionally, in certain circumstances SC&H may recommend the use of Third-Party Managers.

### **SC&H Wealth Management**

SC&H Wealth Management services will be tailored to the client's individual circumstances, as determined and documented through the financial planning process. If the client has not received or does not desire to receive SC&H's financial planning services, as described above, they will be asked to provide SC&H with information regarding their financial situation, investment objectives, time horizon, risk tolerance and investment preferences, so as to inform SC&H's investment management activities. SC&H analyzes each client's circumstances and seeks to formulate an asset allocation strategy and build a diverse portfolio allocated to short-term, intermediate-term and long-term investments consistent with the client's objectives and needs.

Unless otherwise expressly requested by you, SC&H will manage the account on a discretionary basis and make changes to the allocation and portfolio of securities as deemed appropriate. SC&H will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Typically, SC&H is a long-term holder of security positions in client accounts, but we may on occasion actively trade securities and maintain positions for short periods of time. There may be extended periods when SC&H determines that upon review, trades within a client's portfolio

are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity. Discretionary authority will be granted by you to SC&H by execution of the Asset Management Agreement. SC&H will monitor market conditions and the performance of your accounts and reposition assets as needed.

If you elect to have your accounts managed on a non-discretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement. Therefore, if SC&H would like to make a transaction for a client's account (including removing a security that SC&H no longer believes is appropriate or adding a security that SC&H believes is appropriate), and the client is unavailable, SC&H will be unable to execute the account transactions (as it would for its discretionary clients) without first obtaining the client's consent. Affected clients may suffer investment losses or miss potential investment gains as a result.

At least annually, we will review each client's portfolio to determine if it remains consistent with their goals. Such factors as life events, changes in resources and asset class returns over the course of the prior year will determine to what extent your portfolio needs to be rebalanced.

Clients are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of qualified retirement accounts or other tax-sheltered accounts.

### **SC&H Core**

SC&H Core clients are generally in the accumulation stage of wealth management. SC&H seeks to analyze each of these client's financial circumstances at this stage and seeks to formulate an asset allocation strategy consistent with their short, intermediate, and long-term investment and financial objectives, tax and other cash flow needs. From this analysis SC&H will build a diversified portfolio allocation of short-term investments, intermediate-term investments, and long-term investments consistent with the client's objectives and goals.

SC&H Core clients will be assigned to a wealth advisory team and therefore their primary point of contact may change from time to time. The wealth advisory team for SC&H Core clients will provide each client with a financial plan using a technology platform unique to SC&H Core clients.

SC&H Core accounts will be managed on a discretionary basis, granted by you to SC&H by execution of the Asset Management Agreement, and changes will be made to the allocation and portfolio of securities as deemed appropriate. SC&H will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Typically, SC&H is a long-term holder of security positions in client accounts, but we may on occasion actively trade securities and maintain positions for short periods of time. There may be extended periods when SC&H determines that upon review, trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

At least annually, we will review each account and financial plan with the client to determine if it remains consistent with their goals. SC&H will monitor market conditions and the performance of the accounts and reposition assets as needed. Such factors as life events, changes in resources and asset class returns over the course of the prior year will determine to what extent the portfolio needs to be rebalanced.

Clients are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of qualified retirement accounts or other tax-sheltered accounts. There are no minimum annual fees for SC&H Core clients.

### **Recommendation of Third-Party Managers**

SC&H's advisory services may include referring clients to outside, or unaffiliated, third-party managers for management of all, or a portion of, a client's account(s) if SC&H believes the third-party manager's services would be suitable for the client. SC&H will assist the client in evaluating their financial situation and determine the suitability of a third-party manager's service based on factors that include but are not limited to investment objectives, risk tolerance, management style, performance, reputation, financial strength, reporting, pricing, and research. SC&H will be available to answer questions the client may have regarding their account and will act as the communication conduit between the client and the third-party manager. On an ongoing basis SC&H will monitor and review the account and periodically meet with the client to discuss the suitability and performance of the program.

As of the filing date of this brochure, the separately managed account program offered by Dimensional Fund Advisors LP ("DFA SMA") is the only third-party manager platform that SC&H is recommending for suitable clients. The DFA SMA program offers clients access to several of Dimensional Fund Advisors LP's ("Dimensional") U.S. or global strategies. The DFA SMA program allows clients to directly hold the equity securities purchased by the various Dimensional strategies, rather than owning shares in a mutual fund or ETF with the same strategy. Dimensional's investment process integrates research with advanced portfolio design and management. Their strategies target long-term drivers of stock returns through higher weightings to stocks with smaller market capitalizations, lower relative prices, and higher profitability, while pursuing broad diversification across names and sectors. Accounts in the DFA SMA program may also access exchange-traded funds ("ETFs") managed by Dimensional in order to gain broader diversification across multiple asset classes. Additional advantages of the DFA SMA program include: clients have the ability to restrict account holdings by security, industry, sector or country; clients may customize their account and enable values-based decisions through a wide range of environmental, social and governance screens curated by Dimensional; some clients may prefer to hold individual securities rather than mutual funds or ETFs; and clients have access to customizable levels of tax management in the account as well as tax transition analysis during the onboarding stage.

Under the DFA SMA program, SC&H has entered into a master agreement with Dimensional Fund Advisors LP. When SC&H recommends the DFA SMA program to a client, and the client agrees with that recommendation, the client will execute an Asset Management Agreement with SC&H. That agreement grants SC&H with discretionary authority over the assets of the account, including the authority to utilize third-party manager programs such as DFA SMA. As described in Item 5 of this brochure, clients that participate in the DFA SMA program, or other third-party manager programs, will incur additional fees payable to the third-party manager for the investment management services rendered.

You are advised that fees for third-party managed programs may be higher or lower than if you directly obtained the services of the third-party manager or if you obtained advisory services separately. You should read the third-party manager's disclosure brochure for additional disclosure of its managed program. When you engage with a recommended third-party manager, SC&H will not directly conduct any securities transactions on your behalf or participate directly in the selection of the securities to be purchased or sold.

Investment decisions are made by the third-party manager in accordance with the parameters of the program.

### **Retirement Plan Consulting Services**

SC&H offers retirement consulting services to employee benefit plans and their fiduciaries. The services are designed to assist the plan sponsor in meeting its management and fiduciary obligations to the plan under the Employee Retirement Income Security Act of 1974 ("ERISA"). Retirement consulting services will consist of general or specific advice, and could include any one or more of the following:

- Platform Provider Search and Plan Set-up
- Strategic Planning and Investment Policy Development/Review
- Plan Review
- Plan Fee and Cost Review
- Acting as Third-Party Service Provider Liaison
- Assessment of Plan Investments and Investment Options
- Plan Participant Education and Communication
- Investment Advice to Participants
- Plan Benchmarking
- Plan Conversion to New Vendor Platform
- Assistance in Plan Merger
- Legislative and Regulatory Updates
- Plan Corrections

When SC&H performs any agreed upon service, SC&H will not be required to verify the accuracy or consistency of any information received from the company or Plan Sponsor.

SC&H will serve in a non-discretionary ERISA fiduciary capacity with respect to some but not all the services that we provide which will be further explained in the written agreement executed with the company or plan sponsor.

### **Tax Preparation Services**

SC&H offers federal and state tax return preparation services for both advisory and non-advisory clients. The fees associated with these services are provided in Item 5 below.

### **General Information**

The investment recommendations and advice offered by SC&H are not legal advice or accounting advice. Clients should coordinate and discuss the impact of financial advice with their attorney and/or accountant. It is necessary to inform SC&H promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify SC&H of any such changes could result in investment recommendations not meeting your needs.

SC&H tailors the advisory services it offers to each client's individual needs. You may impose restrictions and/or limitations on investing in certain securities or types of securities. However, since SC&H typically utilizes mutual funds and ETFs when providing asset management services, some types of restrictions (e.g., excluding certain issuers, industries, or sectors) may be difficult or impossible to implement. Clients are



encouraged to discuss any restrictions or limitations they wish to impose with their Wealth Advisor. Clients and prospective clients will be asked to furnish certain records and documents about their financial situation for SC&H's review. Such documents may include, but are not limited to:

- Tax returns, W-2s, 1099s, etc.
- Information on current retirement plans
- Insurance benefits and policies
- Mortgage and real estate details
- Bank and financial statements
- Copies of wills and trusts
- Other applicable financial information required by SC&H to provide the investment advisory services requested.

SC&H will review the gathered documents with the client and ask a series of questions to determine their expectations, investment objectives, investment time horizon and risk tolerance. A formal questionnaire may be used in conjunction with the interview process. The use of the questionnaire is at the discretion of the Wealth Advisor. Based upon the above, the Wealth Advisor will work with the client to develop a financial plan and investment strategy that shows how to potentially achieve their goals and objectives for the future. Each client's financial plan will vary based upon factors such as: the amount of information the client shares with SC&H, current life stage, goals and retirement plans, amount of assets accumulated, time horizon, risk tolerance, liquidity needs, and tax impacts of the strategy.

#### **Non-Managed Courtesy Account Services**

In some circumstances, SC&H may assist clients with investment accounts on a non-discretionary basis that fall outside the scope of our regular asset management services and which are not subject to our regular asset management fees. Examples of such accounts may include but are not limited to: charitable donor advised funds; accounts opened for the benefit of clients' children or relatives such as 529 accounts, Coverdell Education Savings accounts or UTMA accounts; accounts with small balances; accounts whose assets must be held at a custodian which does not have a relationship with SC&H (collectively hereafter referred to as "Courtesy Accounts"). Depending on the type of account SC&H may provide assistance to the client which may include: facilitate the opening and maintenance of the account, including transfers of securities and cash or cash equivalents, as directed by client; suggest appropriate funding levels; review available investment options and suggest appropriate allocations; or execute trades in the account when we have the ability and authority to do so. Any trades placed by SC&H in Courtesy Accounts will be solely on a non-discretionary basis, after conferring with or as requested by the client.

SC&H does not participate in any wrap fee programs.

As of December 31, 2023, SC&H provides continuous management services for \$904,914,928 in client assets on a discretionary basis, and \$4,008,550 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### **Financial Planning Services**

The fees for financial planning described below are strictly for planning services. Therefore, clients will pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance. Clients shall make and be fully responsible for all decisions relating to the implementation of any financial planning advice given in any recommendations and SC&H shall not be responsible for the execution of any decision made by the Client. The Client shall at all times be at liberty to follow or disregard, wholly or partially, any information, recommendation or advice given by SC&H.

Fees are negotiable and based on services described in the schedule. Your fees will be dependent on several factors including the representative you have selected, expected amount of time to be spent on the engagement, number of meetings, complexity of your situation, amount of research, services requested and staff resources. The following summarizes our typical financial planning fees:

Fee Type	Maximum Fee	Payable
Comprehensive Plan	\$5,000	A maximum deposit of 50% of the anticipated fee may be charged and due at the time of the Agreement. Fees may be waived or lowered if you implement all or part of the recommendations with SC&H or with your Wealth Advisor.
Modular Plan	\$1,500 per module	
Hourly Fee	\$315 - 600*	Fees are payable within 30 days of receipt of an invoice. A maximum deposit of 50% of the anticipated fee may be charged and due at the time of the Agreement. Fees may be waived or lowered if you implement all or part of the recommendations with SC&H or with your Wealth Advisor.

*\* Directors and Principals charge hourly rates of \$600. Managers charge hourly rates of \$475-525; Senior & Staff charge hourly rates of \$315-395.*

### **Asset Management Services**

#### **SC&H Wealth Management**

Asset management fees will generally be collected directly from your account, provided you have given SC&H written authorization. You will be provided with an account statement reflecting the deduction of the advisory fee directly from the account custodian. If the client account does not contain sufficient funds to pay asset management fees, SC&H has the authority to sell or redeem securities in sufficient amount to pay the fees. If the client account does not contain sufficient funds and is maintaining a margin debit balance, SC&H has the authority to pay the asset management fees by increasing the debit balance.

Asset management fees will be charged in advance of each calendar quarter. The quarterly advisory fee will be based on the value of the account on the last business day of the prior calendar quarter. The value of the account is generally determined by the client's custodian. Minor differences may exist for interest and dividends that have accrued or been declared but not yet paid to the account. Fees for partial periods

will be prorated. The initial quarterly fee will be a pro-rated portion of the fee based on the number of days remaining in the calendar quarter. The initial fee will be calculated based on the value of the portfolio upon establishment of the account or when assets are transferred into the account. At the discretion of the client's Wealth Advisor, billing may be delayed until the intended investment strategy of the account has been implemented.

You may make additions to the account or withdrawals from the account. No fee adjustments will be made for additional deposits to the account or partial withdrawals from the account during a calendar quarter. Further, no fee adjustments will be made for market appreciation or depreciation in the account during the quarter.

SC&H's asset management fee under this service offering is generally based on the following tiered schedule:\*

<b>Account Size</b>	<b>Maximum Annual Fee</b>
First \$500,000	1.20%
Next \$1,500,000 or portion thereof	1.00%
Next \$3,000,000 or portion thereof	0.85%
Next \$5,000,000 or portion thereof	0.70%
Next \$15,000,000 or portion thereof	0.60%
Next \$25,000,000 or portion thereof	0.50%
On assets in excess of \$50,000,000	0.25%

*\* SC&H may, at its option, offer advisory services to clients at reduced fee levels. Accordingly, employees of SC&H and its affiliates receive advisory services at a reduced fee level.*

SC&H has discretion over the standard fee schedule that it charges to its clients as well as any changes to the fee schedules. Any changes to the current fee schedule must be approved by an SC&H Director. Fees may be negotiated in light of a client's special circumstances such as the amount of assets to be managed, portfolio composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, anticipated future additional assets, the professionals providing the services, prior relationships with SC&H and its representatives, negotiations with the client, or other factors. In some cases, SC&H may agree to offer clients a fee schedule that is lower than that of other comparable clients or there may be historical fee schedules and minimum fee levels with longstanding clients that differ from those applicable to new client relationships. In addition, some accounts may have fee schedules that are higher than our standard fee schedule. SC&H also reserves the right to waive all or a portion of its management fee at any time.

As a client, if you have more than one portfolio account under management with SC&H Wealth, SC&H aggregates or "households" all of your advisory accounts for purposes of determining your quarterly fee. For example, if you have four managed accounts with a value as of the just completed calendar quarter of: \$101,569.40, \$55,498.46, \$675,879.50, and \$74,301.12 with a total value of \$907,248.48, you will pay a blended annual rate of approximately 1.11%. The total fee for the aggregate portfolio value will be deducted from the account you designated in your agreement to pay the fee. However, because of the different applicable fee schedules SC&H will not aggregate client accounts or portfolios that are advised under SC&H Wealth Management services with other accounts managed under SC&H Core services.

## SC&H Core

Asset management fees will generally be collected directly from your account, provided you have given SC&H written authorization. You will be provided with an account statement reflecting the deduction of the advisory fee directly from the account custodian. If the account does not contain sufficient funds to pay asset management fees, SC&H has the authority to sell or redeem securities in sufficient amount to pay the fees. If the client account does not contain sufficient funds and is maintaining a margin debit balance, SC&H has the authority to pay the asset management fees by increasing the debit balance.

Asset management fees will be charged in advance of each calendar quarter. The quarterly advisory fee will be based on the value of the account on the last business day of the prior calendar quarter. The value of the account is generally determined by the client's custodian. Minor differences may exist for interest and dividends that have accrued or been declared but not yet paid to the account. Fees for partial periods will be prorated. The initial quarterly fee will be a pro-rated portion of the fee based on the number of days remaining in the calendar quarter. The initial fee will be calculated based on the value of the portfolio upon establishment of the account or when assets are transferred into the account. At the discretion of the client's Wealth Advisor, billing may be delayed until the intended investment strategy of the account has been implemented.

You may make additions to the account or withdrawals from the account. No fee adjustments will be made for additional deposits to the account or partial withdrawals from the account during a calendar quarter. Further, no fee adjustments will be made for market appreciation or depreciation in the account during the quarter.

SC&H's asset management fee under this service offering is generally based on the following tiered schedule:\*

Account Size	Maximum Annual Fee
Up to \$50,000	1.65%
Next \$150,000 or portion thereof	1.30%
Next \$300,000 or portion thereof	1.25%
On assets in excess of \$500,000	1.20%

*\*SC&H may, at its option, offer advisory services to clients at reduced fee levels. Accordingly, employees of SC&H and its affiliates receive advisory services at a reduced fee level.*

SC&H has discretion over the standard fee schedule that it charges to its clients as well as any changes to the fee schedules. Any changes to the current fee schedule must be approved by an SC&H Director. Fees may be negotiated in light of a client's special circumstances such as the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professionals rendering the services; prior relationships with SC&H and/or its representatives, negotiations with the client, or other factors. In some cases, SC&H may agree to offer clients a fee schedule that is lower than that of other comparable clients or there may be historical fee schedules and minimum fee levels with longstanding clients that differ from those applicable to new client relationships. In addition, some accounts may have fee schedules that are higher than our standard fee schedule. SC&H also reserves the right to waive all or a portion of its management fee at any time.

As a client, if you have more than one portfolio account under management with SC&H Core, SC&H aggregates or “households” all of your advisory accounts for purposes of determining your quarterly fee.

For example, if you have four managed accounts with a value as of the just completed calendar quarter of: \$101,569.40, \$55,498.46, \$675,879.50, and \$74,301.12 with a total value of \$907,248.48, you will pay a blended annual rate of approximately 1.26%. The total fee for the aggregate portfolio value will be deducted from the account you designated in your agreement to pay the fee. SC&H offers other advisory services. SC&H will not aggregate client accounts or portfolios that are advised by SC&H Core with other accounts managed by SC&H in other advisory services.

### **Third-party Manager Programs**

When SC&H recommends that a client engage a third-party manager as described in Item 4 above, the client will be charged an advisory fee by the third-party manager under the terms and conditions of the third-party program. Typically, they are calculated as a percentage of the assets under management but may be based on a tiered schedule or may be a single percentage for the entire account regardless of size. Additional information about the third-party manager’s fee and calculation of the fee is disclosed in their disclosure brochure which will be provided to you by SC&H when the third-party account is opened, and anytime upon request. The advisory fees charged by third-party managers with whom SC&H has a relationship may be higher or lower than the advisory fees charged by other managers offering a similar management program.

As of the filing date of this brochure, the DFA SMA program, described in Item 4, is the only third-party manager platform that SC&H is recommending for suitable clients. Under this program, SC&H has signed a master agreement with Dimensional. All clients that open an account in the DFA SMA program will be charged 23 basis points (0.23%) per year, payable to Dimensional quarterly, on the portion of the account holding direct equity investments in one of the DFA SMA strategies. If the account also holds Dimensional ETFs in the DFA SMA account in order to gain broader asset class diversification, the client will be charged an overlay fee of 9 basis points (0.09%) per year on the entire value of the account, payable to Dimensional on a quarterly basis. Clients will also be responsible for paying the expense ratio of the Dimensional ETFs utilized, which can be found in their respective prospectuses.

Clients that open a DFA SMA account will execute an Asset Management Agreement with SC&H which grants SC&H with discretionary authority over the assets of the account, including the authority to utilize third-party manager programs such as DFA SMA. The terms and asset management fees payable to SC&H under this program are similar to those described in this section under Asset Management Services: SC&H Wealth Management. Those asset management fees are generally based on the following tiered schedule:\*

<b>Account Size</b>	<b>Maximum Annual Fee</b>
First \$500,000	1.20%
Next \$1,500,000 or portion thereof	1.00%
Next \$3,000,000 or portion thereof	0.85%
Next \$5,000,000 or portion thereof	0.70%
Next \$15,000,000 or portion thereof	0.60%
Next \$25,000,000 or portion thereof	0.50%
On assets in excess of \$50,000,000	0.25%

*\* SC&H may, at its option, offer advisory services to clients at reduced fee levels. Accordingly, employees of SC&H and its affiliates receive advisory services at a reduced fee level.*

For accounts in the DFA SMA program, investment management fees will be charged in arrears, rather than in advance, of each calendar quarter. This is done in order to align our fee calculation methodology with Dimensional, which charges in arrears. The quarterly advisory fee will be based on the value of the account on the last business day of the calendar quarter. The value of the account is generally determined by the client's custodian. Minor differences may exist for interest and dividends that have accrued or been declared but not yet paid to the account. Fees for partial periods will be prorated. The initial quarterly fee will be a pro-rated portion of the fee based on the number of days from account opening until the end of the quarter.

Fees may be negotiated in light of a client's special circumstances such as the amount of assets to be managed, portfolio composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, anticipated future additional assets, the professionals providing the services, prior relationships with SC&H and its representatives, negotiations with the client, or other factors.

SC&H will aggregate or "household" DFA SMA accounts with other accounts under management in SC&H Wealth Management services. However, because of the different applicable fee schedules, DFA SMA accounts cannot be aggregated with SC&H Core accounts.

#### **Retirement Plan Consulting Services**

Retirement plan consulting fees will generally be deducted and paid directly from the retirement plan account. Some sponsors of retirement plans may elect to pay the fees rather than have them deducted from the plan. SC&H typically does not have the authority to deduct the fee. SC&H relies on the sponsor or administrator of the plan to calculate and authorize the payment of fees.

Retirement plan consulting fees may be charged as a percentage of the assets in the account, on a fixed fee basis, or on an hourly basis. Typically, fees will be charged in advance of each calendar quarter, but they may be charged in arrears to accommodate a client.

If fees are charged as a percentage of the assets in the account, the quarterly consulting fee will be based on either the average daily balance of the retirement plan account or the value of the retirement plan account on the last business day of the calendar quarter. Fees for partial periods will be prorated. The initial quarterly fee will be a pro-rated portion of the fee based on the number of days remaining in the calendar quarter. The initial fee will be calculated based on the value of the portfolio upon establishment of the retirement plan account. Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the retirement plan account.

Retirement plan consulting fees will be dependent on several factors including the Wealth Advisor on the account, expected amount of time to be spent on the engagement, number of meetings, complexity of the Plan, amount of research, services requested and staff resources.

Sponsors of retirement plans may elect to pay fees at a fixed or hourly rate, depending on the services provided, according to the schedule below.

Fee Type	Maximum Fee	Payable
Fixed Fee	\$15,000 / quarter	A maximum deposit of 50% of the anticipated fee may be charged and due at the time of the Agreement. The balance is due upon completion of the services. Alternatively, for ongoing consulting services, fees will be charged quarterly in advance or arrears of each calendar quarter as agreed between the company or plan sponsor and SC&H.
Hourly Fee	\$315 - 600*	Fees are payable within 30 days of receipt of an invoice. A maximum deposit of 50% of the anticipated fee may be charged and due at the time of the Agreement.

*\* Directors and Principals charge hourly rates of \$600. Managers charge hourly rates of \$475-525. Senior & Staff charge hourly rates of \$315-395.*

### **Tax Preparation Services**

SC&H offers federal and state tax return preparation services for both advisory and non-advisory clients. Fees for these services may be based on a pre-established quote or may be based on our hourly rates. Directors and Principals charge hourly rates of \$600. Managers charge hourly rates of \$475-525. Senior & Staff charge hourly rates of \$315-395. A discount for tax preparation fees may be offered to advisory clients.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of SC&H are licensed as independent insurance producers. These persons and SC&H will earn compensation for selling insurance products, including insurance products they sell to you. These products typically include term life, long-term care, and group benefits, but may include other products when suitable for the client. Insurance compensation earned by these persons and SC&H are separate and in addition to our advisory fees. This presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance producers have an incentive to recommend insurance products to you for the purpose of generating compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with SC&H.

### **General Fee Disclosures**

In addition to the advisory fees above, you will pay fees for custodial services, account maintenance fees, transaction fees, wire fees, account closing fees (in the event an account is closed or transferred), and other fees associated with maintaining the account that are charged by the account custodian. Advisory clients will incur brokerage and transaction costs related to the buying and selling of securities in your account (See Item 12 for more information on brokerage practices). You will also incur transfer taxes, exchange fees, interest charges, electronic fund and wire transfer fees, or any charges, taxes or other fees mandated by any federal, state, or other applicable law. Fees for advisory services may be available elsewhere at a lower cost to the client.



Fees paid to SC&H for advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds. A fund's fees and expenses are described in the fund's prospectus. You will pay a proportionate share of a fund's management and administrative fees, sales charges, and deferred sales charges as well as the fund adviser's fee of any fund purchased in your account. Such fees are not shared with SC&H and are compensation to the fund- manager. Clients should read the fund prospectus.

SC&H does not recommend or endorse the routine use of margin or borrowing in clients' investment accounts. Using margin as a source of borrowing comes with considerable risks. These include: client's using margin will pay interest on the loan which may fluctuate with the general levels of interest rates; clients using margin are subject to maintenance margin which requires a certain level of equity be maintained in the account; and declining market values of the securities in the account may lead to margin calls which would require the client to deposit additional funds or sell securities in the account to reduce the margin loan balance. However, margin may be helpful to clients in certain circumstances. For example, clients may be able to use margin as a short-term loan for a real estate purchase while awaiting proceeds from a sale to settle. Additionally, new clients may transfer accounts to SC&H that have an existing margin loan. When calculating fees on accounts that have a margin loan, SC&H does not include the value of the loan and only charges advisory fees on the net assets of the account (e.g., an account with \$500,000 in securities and a \$100,000 margin loan would only be charged fees on \$400,000). We believe this mitigates a conflict of interest and incentive for SC&H to encourage clients to use margin in their accounts or to increase margin loan balances.

As part of the financial planning and investment strategy development process, SC&H regularly recommends that clients maintain sufficient cash or cash equivalents (such as money market funds) to meet their short-term spending needs. SC&H regards this recommendation and the monitoring of cash balances to be part of our overall asset management services and as such, our regular asset management fees will be charged on the cash or cash equivalent portion of your account. During periods of low overall interest rates this will mean that the return you earn will be less than the fees paid to us on the cash portion of your account. In special circumstances, when clients are holding cash balances higher than what we would typically recommend (for example, if a client has informed us of an impending need for cash, such as for the purchase of a house) we may recommend that clients open a separate cash management account, which will not be charged our asset management fee. Alternatively, we may also agree to hold cash "below the line" within their account and exclude it from the account value when calculating our fees.

Variable annuity products have additional costs to the client including surrender fees if the purchase of the product results from the transfer from another variable product, costs associated with living or death benefits, administrative fees, sub-account management fees, mortality and expense fees, and bonus expenses if the product has a bonus element. All variable annuities have surrender fees if the annuity is transferred or liquidated within the surrender period. Additionally, variable products often have limitations on the number of transactions that can be conducted among the subaccounts which could result in additional expenses. It is vital clients read and refer to the variable annuity prospectus for details on the costs of the product.

You have the option to purchase investment products that we recommend to you through other brokers or agents who are not affiliated with SC&H.



## **Termination Provisions**

For clients receiving asset management services, you or SC&H may terminate the Agreement at any time and for any reason upon 30 days written notice to the other party. If you terminate services before any services are performed, SC&H will fully refund any advance payment. If termination occurs after services have begun, you will be charged pro-rata for services rendered. SC&H will refund the client a portion of the investment advisory fees previously paid for the billing period in the event the client or SC&H terminates the client's investment advisory agreement with SC&H during such period.

SC&H calculates refunds in these circumstances by:

1. Dividing the number of days left (from the date of termination) in the period for which the client paid the fee by the total number of days in the period; and
2. Multiplying the result by the average daily pre-paid fee (found by dividing the pre-paid quarterly fee by the total number of days in the quarter).

SC&H pays fee refunds by instructing the custodian to credit the account previously managed by SC&H for the amount of the refund or mailing a check if we are unable to credit the account. Additionally, in cases where services are terminated within the first 15 days of a calendar quarter, SC&H may choose to waive its invoice at its sole discretion.

Similarly, for clients in the DFA SMA program, you or SC&H may terminate the Agreement at any time and for any reason upon 30 days written notice to the other party. Since fees in the DFA SMA program are billed in arrears, terminated accounts will owe accrued asset management fees from the beginning of the calendar quarter until the date of termination.

If asset management services for an account cease for other reasons, such as the death of a client or a pending distribution of the assets from the account, SC&H may not refund some or all of the prepaid fees if SC&H is expected to continue monitoring the account, reasonably expects the assets to quickly transfer to another account which SC&H is providing asset management services to, or if SC&H expects to undertake significant administrative efforts in the account closing and distribution process.

Upon termination of asset management services, the client's funds and securities will remain with their custodian. Most assets are transferable to other brokers and custodians; however, some restrictions may exist. For example, SC&H may allocate investment assets to mutual funds issued by Dimensional Fund Advisors, which are generally only available through select registered investment advisers. Upon the termination of our services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among Dimensional funds will apply.

Retirement plan consulting fees that are based upon a fixed or hourly rate will be refunded based on time spent by SC&H and multiplied by SC&H's hourly rate as determined by SC&H.

Clients or SC&H may terminate the advisory relationship at any time for any reason upon written notice to the other party; the notice period differs depending on the services you choose and is set forth in each client's Agreement.

## **Sale of Mutual funds**

When consistent with a client's investment objectives and time horizon, SC&H recommends or purchases mutual funds for its clients. Many mutual funds offer multiple share classes, each with a different level of internal fees and expenses. SC&H makes best efforts to invest in the lowest-cost share class available to the

client in conformity with its policies and procedures. For example, institutional shares often have lower internal costs, but not all mutual fund families offer an institutional share class. The availability of a particular mutual fund share class often depends on factors such as the size of a client's investment, the client's custodian, whether the mutual funds sponsor is willing to grant a waiver, and the amount of aggregate client investments in the fund, either generally or through a particular custodian. SC&H maintains policies and procedures for the selection of mutual fund share classes.

A mutual fund may offer only classes that pay 12b-1 fees, but another similar mutual fund may be available that offers share classes that do not pay 12b-1 fees. Each fund's prospectus identifies the mutual funds that pay a 12b-1 fee. Adviser representatives no longer receive 12b-1 fees for any accounts under management with SC&H. Adviser representatives do not have an incentive to recommend or select share classes with higher expense ratios because their compensation is not affected by the share class selected. However, even though the 12b-1 fees are not paid to SC&H's representatives, this does not decrease the cost to the client.

SC&H conducts periodic reviews of client holdings in mutual fund investments to determine the appropriateness of mutual fund share class selections. If a situation is identified where retail shares could be converted to institutional shares or a more beneficial mutual fund share class, SC&H will attempt to convert the client's retail shares if the conversion is possible and when SC&H deems it appropriate. In situations where clients have systematic investments or have frequent activity in the account, it may not be advantageous to the client to convert to institutional shares since typically institutional shares are subject to transaction fees by the account custodian/broker. Consequently, the benefit of converting to an institutional share class would be diminished by the costs associated with trading.

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

SC&H does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client) or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. All advisory services offered by SC&H are charged fees that are either asset-based, fixed or hourly.

## **Item 7 Types of Clients**

### **SC&H Wealth Management**

SC&H's Wealth Management asset management services are geared toward individuals, high net worth individuals (generally, clients with assets under management of \$1,100,000 or a net worth exceeding \$2,200,000), trusts, estates, pension and profit-sharing plans, corporations and small businesses, and charitable organizations.

Under this program we seek to work with clients that have a minimum of \$1,000,000 in investible assets. Under certain circumstances, SC&H may agree to manage accounts with a lower level of initial investible assets. Such circumstances may include, but are not limited to: anticipated additional assets to be managed in the future; whether the client or any family members have assets under management with SC&H; whether the client is receiving additional services from SC&H such as tax preparation services; whether the client is also an employee (or immediate family member of an employee) of SC&H or an affiliate; or whether the client is still in the accumulation stage of assets. This policy is for new client relationships. In the past,

SC&H has had different policies related to minimum levels of account assets and minimum fee levels. New SC&H Wealth Management asset management clients are subject to the asset- based fee schedule as described in Item 5. Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Clients should note that similar advisory services may or may not be available from other registered investment advisors or other financial firms for similar or lower fees.

### **SC&H Core**

The services provided under SC&H Core are geared toward individuals in the accumulation stage of wealth management and are generally recommended for clients that do not meet the account requirements for SC&H Wealth Management asset management services. Therefore, SC&H does not have a minimum asset level requirement or minimum annual fee for this platform. SC&H Core clients are subject to the asset-based fee schedule as described in Item 5. Clients are advised that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Clients should note that similar advisory services may or may not be available from other registered investment advisors or other financial firms for similar or lower fees.

### **Third-Party Manager Programs**

The DFA SMA program described in Items 4 and 5 above has a minimum billable asset level of \$500,000. If the value of a client account falls below this threshold, the market value used to calculate the fees payable to Dimensional will be \$500,000, which effectively increases the fee percentage of the account.

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

SC&H analyzes each client's circumstances and seeks to formulate an asset allocation strategy consistent with their investment objectives, tax and other cash flow needs. From this analysis we will build a diverse portfolio subject to market risk. SC&H will help each client to understand risks as they personally relate to their goals and investment objectives. SC&H will focus on how well their current holdings are advancing toward their personal goals and adjust the holdings when necessary. SC&H will apply well-defined growth and value investment philosophies that use a long-term perspective to increase your capital and control risk. Risk is inherent in all investing. There is no assurance that a client account will meet its investment objective.

The allocation of a client's investment portfolio will be among short-term, intermediate-term and long-term investments and asset classes. It is understood that, due to fluctuations in securities prices, investment interest and dividends, and deposits and withdrawals, the value of the various investments and asset classes will vary. You are advised that investing in securities involves risk of loss, including the potential loss of principal and any profits that have not been realized. Therefore, your participation in any of the management programs offered by SC&H will require you to be prepared to bear the risk of loss and fluctuating performance.

SC&H does not represent, warrant or imply that the services or methods of analysis used by SC&H can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved and that you will not experience a loss in your investments or asset classes. Further, no promises or assumptions can be made that the advisory services offered by SC&H will provide a better return than other investment strategies.

SC&H primarily uses mutual funds and exchange-traded funds (“ETFs”) for allocation of investments in SC&H Wealth Management accounts and SC&H Core accounts. The recommended investments for SC&H Core client accounts may differ from those recommended in SC&H Wealth Management accounts. In addition to mutual funds and ETFs, SC&H may invest client assets in exchange traded equity securities, U.S. government securities, state and local bonds, corporate bonds, cash and cash equivalents and other pooled investment vehicles.

The risks with mutual funds include the costs and expenses within the fund that can impact performance, changes to the managers of the fund, and the fund straying from its objective. An investment in a mutual fund involves risks similar to investing directly in the companies' securities of the fund's holdings, including the risk that the value of the portfolio's securities may fluctuate in accordance with the changes in the financial condition of the issuers, the value of stocks and other securities generally, and other market factors. Mutual fund fees are described in the fund's prospectus, which the custodian mails or electronically delivers directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's website. At the client's request at any time SC&H will direct the client to the appropriate web page to access the prospectus.

ETFs are ownership interests in unit investment trusts, depository receipts and other pooled investment vehicles that are traded on an exchange and that hold a portfolio of securities or stocks (“underlying securities”). An investment in an ETF presents market and liquidity risks and may involve risks similar to investing directly in the underlying securities including the risk that the value of the underlying securities may fluctuate in accordance with the changes in the financial condition of the issuers, the value of stocks and other securities generally, and other market factors. ETFs trade on an auctionable market. The performance of an ETF will be reduced by transaction and other expenses, including fees paid by the ETF to service providers. The client will bear a proportionate share of the advisory fees and other expenses of such ETF, which are in addition to the fee payable by the client to SC&H. In addition, because ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange, the investment strategy may acquire ETF shares at a discount or premium to their NAV, and the investment strategy may incur greater expenses since ETFs are subject to brokerage and other trading costs.

**In addition to the above material risks, the following is a summary description of general material risks that clients should consider when establishing an account.**

#### **General Investment Risk**

Stocks, bonds and other equity and fixed income securities may decline in value for any one or more of several reasons. The potential reasons these securities may decline in value are almost without limit and may not be foreseeable.

#### **Market and Interest Rate Risk**

The market prices of the securities in client accounts may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic or political conditions, inflation, changes in interest rates or currency rates, lack of liquidity in the markets or adverse investor sentiment. Market prices of securities also may go down due to events or conditions that affect particular sectors or issuers. When market prices fall, the value of your account will decline.

**Business Risk**

There can be certain risks associated with investing in a particular industry or market sector. For example, these investments can have a greater risk of loss from developments that negatively affect companies in that industry or sector.

**Category or Style Risk**

During various periods of time, one category or style of holdings may underperform or outperform other categories or styles. For example, during certain periods of time a large cap growth fund may outperform a value strategy fund or vice versa.

**Performance of Underlying Managers**

We select mutual funds and ETFs in a client's portfolio based on a variety of criteria. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy. Should a fund manager's portfolio selection deviate from such strategy, a given investment might underperform or face enhanced risk.

**Foreign Investment Risk**

We may invest in mutual funds or ETFs that invest in securities of foreign issuers, including issuers located in emerging market countries. These investments may involve greater risk than investments in securities of U.S. issuers. The increased risk arises from factors that include: many non-U.S. countries having securities markets that are less liquid and more volatile than U.S. securities markets; political and economic instability in some non-U.S. countries; lesser availability of issuer and market information in some non-U.S. countries; and less rigorous accounting and regulatory standards in some non-U.S. countries. Currency conversion costs and currency fluctuations could erase investment gains or add to losses.

**Global Events**

Due to the increasing interdependence among global economies and financial markets, events taking place in one country, market or region, might adversely affect markets, issuers, and/or foreign exchange rates in other countries, including the U.S. Examples of these types of events include, but are not limited to, pandemics and other disease outbreaks, political instability, armed conflicts, natural or environmental disasters, fiscal policy, trade relations, social unrest, trade agreements, government shutdowns and defaults. In addition, the investments held in a client account might be negatively impacted by an event even if the event occurs in a country, market, or region where the account does not invest. The effects of an event are unknown and may persist over a prolonged period. For example, the COVID-19 outbreak resulted in serious economic disruptions across the globe and triggered unprecedented volatility and liquidity concerns in financial markets. The impact of a public health crisis such as the COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to the performance of your investments.

**Cybersecurity Risk**

The information technology systems and networks that SC&H and its third-party service providers use to provide services to SC&H's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in SC&H's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and SC&H are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational

damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although SC&H has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that SC&H does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

## **Item 9 Disciplinary Information**

There is no reportable disciplinary information required for SC&H or its management persons that is material to your evaluation of SC&H, its business, or its management persons.

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

SC&H Group, Inc. ("SC&H Group") an accounting firm, is the parent company of SC&H. SC&H Group is the employer, benefits, and payroll provider for all SC&H employees. SC&H Group and SC&H's main office locations are in Sparks, MD. SC&H Group also has office locations in Tysons Corner, VA and Ellicott City, MD. SC&H employees can use these additional work locations when space is available. In addition, from time to time, SC&H employees may meet with clients at the Tysons Corner, VA office or the Ellicott City, MD locations if more convenient than the Sparks, MD office.

SC&H is under common control with SC&H Group, for which certain employees may provide tax planning and accounting services. Please see additional information on this arrangement under CPA activity below. SC&H is also under common control with Stout Causey Consulting, Chartered for which employees of SC&H do not provide any services.

SC&H is also under common control with a registered broker/dealer, SC&H Capital Corporation ("SC&H Capital"). SC&H Capital has been registered as a broker-dealer for the purpose of completing mergers and acquisition business. No securities products are purchased and sold through SC&H Capital. SC&H Capital does not hold any client accounts or manage any customer funds. Employees of SC&H may refer potential clients to SC&H Capital and no compensation is received for such referrals. With respect to the advisory services offered by SC&H and the business conducted by SC&H Capital, there are no material conflicts of interest between SC&H and SC&H Capital. SC&H Capital's main office is in Ellicott City, MD. SC&H employees may use this location when space is available or meet with clients if more convenient than the Sparks, MD office. There are no full-time employees or books and records at this location. SC&H does not share supervised persons with SC&H Capital.

SC&H and several employees are also specially licensed as an insurance producer in several states. Therefore, persons providing investment advice on behalf of our firm may be licensed as insurance producers and maintain appointments with carriers for the sale of insurance products. These persons and SC&H will earn compensation for selling insurance products, including insurance products they sell to you. Insurance compensation earned by these persons are separate from our advisory fees. This presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating



compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with SC&H. SC&H employees who are also specially licensed as insurance producers may meet with clients at the Tysons Corner, VA or Ellicott City, MD locations if more convenient than the Sparks, MD office.

Certain employees of SC&H are also Certified Public Accountants (CPAs)<sup>1</sup> and provide tax planning and accounting services to clients through SC&H Group, Inc. SC&H employees who are also CPAs may meet with clients at the Tysons Corner, VA or Ellicott City, MD locations if more convenient than the Sparks, MD office. The accounting services of SC&H are only recommended to advisory clients when the representative recognizes the need for such services. Advisory clients may receive a discount for tax services.

As described in Items 4 and 5, SC&H may recommend the DFA SMA program to suitable clients. Under this program clients will incur additional advisory fees payable directly to Dimensional, as well as the advisory fees paid to SC&H. In addition to partnering with Dimensional in this program, SC&H routinely purchases Dimensional mutual funds and ETFs for the accounts of our asset management clients. We also receive benefits from Dimensional and other fund companies that include, but are not limited to, financial market commentary and outlooks, marketing assistance, product updates and educational materials and presentations. These additional benefits create a conflict of interest, incentivizing SC&H to maintain or increase our business relationships with Dimensional and other firms whose investment or financial products we utilize in our advisory business. We address this conflict by maintaining a robust review process, driven by our Investment Committee, which has responsibility for reviewing the management, performance and expenses of funds that we utilize. Additionally, clients have the ability to place limits or restrictions on the investments made in their accounts.

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

### **Code of Ethics**

SC&H has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. SC&H takes its compliance and regulatory obligations seriously and requires all staff to comply with applicable rules, regulations and SC&H's policies and procedures.

SC&H has adopted a Code of Ethics ("COE") for all its supervised persons. The COE includes the following:

- High standards of business conduct expected from SC&H and all its supervised persons

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<sup>1</sup> **Certified Public Accountant (CPA)** CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

- A recognition that SC&H and its supervised persons owes clients a fiduciary responsibility and that the interests of clients must come first
- Policies and procedures and reporting obligations for personal securities transactions of supervised persons
- Prohibited personal trading activities, including trading on inside information, trading with the intent to manipulate markets or trading that attempts to profit off the market effect of client transactions
- Restrictions on the provision and acceptance of gifts and entertainment
- Disclosure and reporting obligations for any outside business activities of supervised persons
- A duty for supervised persons to protect the confidential, non-public information of clients and SC&H

All supervised persons of SC&H must acknowledge the terms of the COE annually, or as amended.

SC&H clients or prospective clients may request a copy of the COE by contacting the SC&H Compliance Department at 410-403-1500.

Neither SC&H nor its supervised persons have any material financial interest in any securities recommended or purchased in client accounts beyond the provision of investment advisory services as disclosed in this brochure. Employees of SC&H may from time to time buy or sell securities for their own accounts that are also purchased and/or sold for the accounts of clients. This has the potential to create a conflict of interest between employees of SC&H and clients by driving the price of the security up or down. While this practice known as “front-running” is difficult to accomplish practically unless a significantly high volume of securities transactions is undertaken, front-running is a direct violation of the rules and regulations of the SEC. Further, any activity that attempts to manipulate markets or which attempts to profit off the market effect of client transactions is expressly prohibited by the COE. SC&H’s COE requires every employee to disclose and report a list of personal securities holdings and accounts and to provide quarterly statements for review by the Chief Compliance Officer.

You have the right to decline any investment recommendation. SC&H and its supervised persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

## **Item 12 Brokerage Practices**

### **Brokerage Recommendations**

SC&H recommends the custodial services of National Financial Services LLC, a registered broker-dealer who is a wholly owned subsidiary of Fidelity Global Brokerage Group, Inc., and also recommends that clients direct us to place their securities transactions through Fidelity Brokerage Services LLC, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Before engaging SC&H to provide investment management services, clients are required to enter into a formal agreement with SC&H setting forth the terms and conditions under which SC&H will manage the client’s assets, and a separate custodial/clearing agreement with each designated broker dealer/custodian.

In limited circumstances, and at SC&H’s discretion, some clients may instruct SC&H to use one or more particular brokers other than Fidelity for the transactions in their accounts. If you choose to direct SC&H to



use a particular broker, you should understand that this might prevent SC&H from effectively negotiating brokerage commissions on your behalf. This practice may also prevent SC&H from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that SC&H would otherwise obtain for you.

SC&H has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides SC&H with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like SC&H in conducting business and in serving the best interests of their clients. SC&H may receive similar products and services from other broker-dealers, custodians, fund sponsors, or other financial institutions. As a result of receiving such platform services for no additional cost, SC&H may have an incentive to continue to use or expand the use of Fidelity's services. SC&H examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of SC&H's clients and satisfies its client obligations, including its duty to seek best execution. SC&H periodically reviews its relationship with Fidelity and other available options in the marketplace to ensure client needs continue to be met and that the costs are reasonable. SC&H and Fidelity are not affiliates, and no broker-dealer affiliated with SC&H is involved in the relationship between SC&H and Fidelity.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables SC&H to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. Clients may request a full transaction fee list which is applicable to all SC&H clients that custody and trade through Fidelity by calling the SC&H Compliance Department at 410-403-1500.

For certain clients, we also recommend the custodial services of American Funds Distributors Inc., a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. American Funds Distributors Inc. supports the platform of American Funds Service Company ("AFS"). Through AFS, we have access to a family of mutual funds with varying degrees of risk and investment objectives in order to create a customized and diversified portfolio for you. To participate in these portfolio management services you will be required to open an account directly with AFS. SC&H may also recommend the my529 platform for some clients. My529 is a nonprofit 529 plan established by the state of Utah. This platform utilizes State Street Bank and Trust Company as the custodian of client assets.

Our relationships with Fidelity, AFS and my529 may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your accounts. We believe that the recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services recommended broker-dealers provide and although SC&H will

seek competitive rates on your behalf, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

SC&H may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

SC&H advisory fees do not include transaction costs, custodial fees, transfer taxes, exchange fees, interest charges, electronic fund and wire transfer fees, or any charges, taxes or other fees mandated by any federal, state, or other applicable law or otherwise agreed to with the client.

SC&H has access to Fidelity's institutional platform. Therefore, without limiting the above, SC&H will also have access to research products and services. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. You should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. Also, because the services and products that Fidelity makes available to SC&H could be considered to provide a benefit to our firm, SC&H has a conflict of interest in continuing its relationship with Fidelity.

### **Order Aggregation**

Transactions for each client generally will be executed independently, unless SC&H decides it is in the best interest of its clients to purchase or sell the same securities for several clients at approximately the same time. SC&H may, but is not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). SC&H will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for transactions and pays a proportionate share of all transaction costs on any given trade. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by SC&H or persons associated with SC&H may participate in block trading with your accounts; however, they will not be given preferential treatment. Under certain circumstances, the amount of securities may be increased or decreased to avoid holding odd-lots or a small number of shares for particular clients.

SC&H does not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, SC&H may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with SC&H.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

If SC&H makes an error while placing a trade for an account, SC&H must bear any costs of correcting the trade. When trade errors are identified, SC&H works with the executing broker and custodian for resolution. SC&H maintains a Firm error account, and any net positive balances in the error account are periodically credited to SC&H's donor advised Fidelity Charitable Gift fund for donation to charity.

### **Item 13 Review of Accounts**

If you are participating in the asset management services of SC&H Wealth Management or SC&H Core, you will be invited to participate in at least an annual review. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Levels of reviews will vary depending on client needs at the time of review as well as changes in their financial status or position (tax status or otherwise), financial goals, current market conditions, performance standards, suitability changes, and age, among other things. Your Wealth Advisor will monitor for changes or shifts in the economy, changes to the management and structure of a fund or company in which your assets are invested, and market shifts and corrections.

If you are participating only in financial planning services, you will not receive regular reviews. SC&H recommends you have at least an annual review and update to any plans. SC&H can provide such a review under separate contract. However, the time and frequency of the reviews is solely your decision, and you are not obligated to engage SC&H for such reviews. Other than the initial plan or analysis, there will be no other reports issued.

Directors, Principals, Managers and Seniors conduct ongoing reviews of client accounts. Clients are strongly encouraged to notify their SC&H Wealth Advisor promptly of any changes to their financial goals, objectives, or financial situation for the purposes of reviewing, evaluating, or revising SC&H's previous recommendations or services.

Accounts under management will be provided statements at least quarterly, directly from the account custodian. Additionally, you will receive confirmations of all transactions directly from the account custodian. SC&H may also send quarterly performance reports to clients. You should compare the quarterly performance report from SC&H with statements received directly from the account custodian. Should there be any discrepancy, you should inform your Wealth Advisor.

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

#### **Client Referrals**

SC&H may enter into arrangements with individuals or third-party companies ("Promoters") whereby the Promoters will refer clients who may be a candidate for investment advisory services to SC&H. In return, SC&H will agree to compensate the Promoter, under certain circumstances, for the referral. These arrangements will comply with the Investment Adviser Marketing Rule (Rule 206(4)-1) under the Investment Advisers Act of 1940.

Certain employees of SC&H or our affiliates receive compensation from our firm for the establishment of new client relationships. Employees who refer clients to SC&H must comply with the requirements of the jurisdictions where they operate. The compensation is a percentage of the advisory fee you pay SC&H for a limited period of time, typically the first full quarter under management. Clients that are referred to SC&H

under this arrangement will not be charged additional fees. This incentive-based compensation is contingent upon the referred client entering into an advisory agreement with SC&H. Therefore, the individual has a financial incentive to recommend SC&H for advisory services. This creates a conflict of interest; however, clients are not obligated to retain SC&H for advisory services. Comparable services and/or lower fees may be available through other firms.

Additionally, SC&H has entered into agreements pursuant to which it compensates third-party intermediaries for referring prospective advisory clients to SC&H. Under these agreements, the third-party screens potential advisory clients using a series of questions to determine their financial situation and need for advisory services. SC&H provides the intermediary with a set of parameters for prospective clients, such as amount of investible assets and geographic location. If there is a match between the prospective client's needs and SC&H's parameters, then the intermediary may refer the prospect to SC&H. SC&H pays the intermediary for each prospective client referred or a set periodic amount, regardless of whether they establish a client relationship or not. Such compensation will be paid pursuant to a written agreement with the third-party promoter and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by SC&H and not by any referred client.

The parent company of SC&H, SC&H Group, Inc., also has a "Client Development Bonus" where employees of the parent company and its affiliates will be paid a portion of the fees for any client for which the employee is initial contact from the parent company. The client will not be charged any additional fees for this compensation arrangement. The employees have a financial incentive to recommend the services of the parent company or its affiliates, which creates a conflict of interest; however, clients are not obligated to retain the parent company or its affiliates for any services. Comparable services and or lower fees may be available for the same services through other firms.

### **Other Compensation**

SC&H has implemented an incentive policy to compensate Wealth Advisors that effectively source new prospective clients. The incentive is eligible to all Wealth Advisors below the director level of the firm. Under the policy, Wealth Advisors are eligible to receive a bonus equal to the amount of advisory fees that a new client would pay over one calendar quarter. To receive the bonus, the Wealth Advisor must be the individual primarily responsible for sourcing a prospective client that ultimately leads to the establishment of an advisory relationship with SC&H. This creates a conflict of interest; however, clients are not obligated to retain SC&H for advisory services.

As described in Item 12 (Brokerage Practices) our relationships with Fidelity, AFS, my529 and other financial institutions may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your accounts. Similarly, SC&H regularly invests client assets in financial products such as mutual funds, ETFs, and insurance products. The creators and managers of these products may also provide benefits to our firm such as educational resources, access to conferences or seminars, and marketing assistance. While the benefits described above are generally available to any adviser that uses such services or products, they nonetheless represent an economic benefit to SC&H and a conflict of interest. In addition, employees of SC&H may receive benefits from third parties in the form of reasonable and limited business entertainment for which SC&H believes the benefit realized is negligible and does not present a significant conflict of interest.

## Item 15 Custody

For purposes of providing its advisory services, SC&H does not maintain either direct possession or custody of actual client assets, meaning that SC&H does not physically hold client funds or securities. However, SC&H is deemed by the SEC to have custody or “limited” custody in certain circumstances, including: for those clients who have authorized us to deduct our advisory fees from their account; for those clients who have granted us limited power to transmit funds to one or more “third parties” through a standing letter of authorization; and situations in which SC&H has access to, or is transferring funds or securities, on behalf of our clients.

### **Direct Debiting of Fees**

SC&H is deemed to have custody or possession of client funds due to its authority to debit clients’ custodial accounts for its advisory fees. As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not maintain physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. All client assets are maintained with a qualified custodian who sends account statements at least quarterly. Clients should carefully review the account statements they receive from their custodians and compare them to any statements or reports received from SC&H. Should there be any discrepancy, you should inform your Wealth Advisor. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period.

### **Custody Due to Standing Letter of Authorization**

SC&H may assist clients with the transfer of their assets between two or more of a client’s accounts maintained at the client’s custodian or maintained with multiple custodians. This ability to transfer a client’s assets between the client’s accounts maintained at one or more qualified custodians if the client has authorized the adviser in writing to make such transfers causes our firm to exercise limited custody over your funds or securities.

Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940 (the “Custody Rule”), SC&H has taken steps to have controls and oversight in place to support the no-action letter issued by the SEC on February 21, 2017 (the “SEC no-action letter”). With respect to third-party standing letters of authorization (“SLOA”) where a client may grant SC&H the authority to direct custodians to disburse funds to one or more third-party accounts, we are deemed to have limited custody. However, for these assets, we are not required to comply with the surprise examination requirement of the Custody Rule if we are otherwise in compliance with the seven representations noted in the February 21, 2017 no-action letter. Where SC&H acts pursuant to a SLOA, we believe we are making a good faith effort to comply with the representations noted in the SEC’s no-action letter. Additionally, since many of those representations involve the qualified custodian’s operations, SC&H will collaborate closely with its custodians to ensure that the representations can be met.

### **Custody Due to Access of Client Funds and/or Securities**

The SEC defines custody as holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. The ability for SC&H to, directly or indirectly, have access to client funds through a power of attorney under which SC&H is authorized or permitted to withdraw client funds or securities upon instruction to a custodian imputes custody to SC&H. Additionally, from time to time, clients

will deliver checks to our office for deposit to their account at their custodian. We are deemed to have custody of these funds. Therefore, SC&H will comply with custody requirements of the Advisers Act and undergo an annual surprise exam by an independent public accountant.

## **Item 16 Investment Discretion**

You may provide written authorization, via the Asset Management Agreement, granting SC&H sole discretion to purchase and/or sell securities within your account without first consulting you.

Additionally, you are advised that:

- You may set parameters with respect to when accounts should be rebalanced and set trading restrictions or limitations;
- Your written consent is required to establish any brokerage account;
- With the exception of the deduction of SC&H's advisory fees from the account, if you have authorized automatic deductions, SC&H will not have the ability to withdraw your funds or securities from the account.

## **Item 17 Voting Client Securities**

As a matter of firm policy and practice, SC&H does not vote proxies on behalf of advisory clients (with the limited exception noted below). The voting and how you vote the proxies are solely your decision. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies. You may contact us if you have any questions about a particular solicitation; however, the voting decision remains with you as shareholder.

Clients in the DFA SMA program may elect to have Dimensional vote proxies on their behalf. Due to the high number of securities purchased in DFA SMA accounts we encourage clients to do so. A description of Dimensional's proxy voting policies can be found in their brochure document.

## **Item 18 Financial Information**

SC&H does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, a balance sheet is not required to be provided to you at this time.

As stated above, SC&H has discretionary authority over client accounts; however, that authority does not extend to the withdrawal of any client assets, with the exception of the deduction of SC&H's advisory fees from your accounts.

SC&H is financially stable. There is no financial condition that is likely to impair our ability to meet our contractual commitment to you or any other client. SC&H has never been the subject of a bankruptcy petition.



## **Additional Information**

### **Your Privacy**

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

We do not disclose your nonpublic personal information to nonaffiliates, except as permitted by applicable law or regulation or to service your account, as described below.

We may disclose personal information obtained from you to financial service providers, non-financial providers, and others that service or provide support to your accounts, as permitted under law, such as:

- Securities broker/dealers.
- Custodians and transfer agents
- Other investment advisers or sub-advisers who provide services to you or your account.
- Insurance agents and insurance companies.
- Investment companies.
- Third-party administrators and vendors hired to effect, administer, or enforce transactions or services in your accounts.
- Consumer reporting agencies in connection with your application or renewal of insurance coverage.

We train our staff to take caution in handling personal information. We restrict access to nonpublic information about you to staff that need to know such information, who assist in providing products and services to you, or who assist in the administration of the office, in order to maintain confidentiality of your information. We have security practices and procedures in place to ensure the confidentiality of your information in accordance with this policy.

We will affirm our Privacy Policy annually in writing, provided you maintain an ongoing relationship with us. In addition, if we change our Privacy Policy, we will notify you by providing you with an amended Privacy Notice prior to making disclosure of your nonpublic information to nonaffiliated third parties that are not required or specifically permitted under law.

If you close your account, cease services with us, or become an inactive customer, we will continue to adhere to the privacy policy disclosed herein, unless we notify you by providing an amended Privacy Notice.

If you have questions about our privacy policies, contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Class Action Lawsuits**

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

## **IRA Transfer / Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. Or we may recommend that you transfer IRA assets not under our management into an IRA that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. SC&H has procedures in place to review rollovers to ensure they are in the client's best interest.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title 1 of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

- Leaving the funds in your employer's (former employer's) plan.
- Moving the funds to a new employer's retirement plan.
- Cashing out and taking a taxable distribution from the plan.
- Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.
- If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
- You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.



- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution until age 72.
- Your 401k may offer more liability protection than a rollover IRA; each state may vary.
- Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules, so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
- You may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Before proceeding, we suggest you contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.