

# Rehmann Capital Advisory Group, LLC

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## Form ADV, Part 2A- Brochure

Item 1- Cover Page

This brochure was last updated on March 15, 2024

This Brochure provides information about the qualifications and business practices of Rehmann Capital Advisory Group, LLC, which also does business as “Rehmann Financial” and “Rehmann Wealth” (“Rehmann”, “firm”, or “Advisor”). If you have any questions about the contents of this Brochure, please contact us at (517) 316-2400 or [nicole.spitzley@rehmann.com](mailto:nicole.spitzley@rehmann.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.

Rehmann Capital Advisory Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Rehmann Capital Advisory Group, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2- Summary of Material Changes**

Rehmann Capital Advisory Group, LLC made no material changes since its last annual update to the brochure dated March 29<sup>th</sup>, 2023.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting Nicole Spitzley, Chief Compliance Officer at (517) 316-2438 or [nicole.spitzley@rehmann.com](mailto:nicole.spitzley@rehmann.com). Our Brochure is also available on our web site [www.rehmann.com](http://www.rehmann.com) also free of charge.

Additional information about Rehmann Capital Advisory Group, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Rehmann Capital Advisory Group, LLC who are registered, or are required to be registered, as investment adviser representatives of the firm.

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#### **Item 4- Advisory Business**

Rehmann Capital Advisory Group, LLC has been providing financial planning and investment advisory services to individual clients, as well as trusts, endowments, qualified retirement plan sponsors, and business entities since 2001. We are organized as a Limited Liability Company (“LLC”) under the laws of the State of Michigan. We have branch offices in Michigan and Florida. Rehmann Capital Advisory Group, LLC also transacts business under the assumed names “Rehmann Financial” and “Rehmann Wealth”.

Rehmann Capital Advisory Group, LLC is registered with the SEC which allows us to offer you investment advisory products and services. These services are offered through advisors who have registered with us as Investment Adviser Representatives (“Advisors”).

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we”, “our”, and “us” refer to Rehmann Capital Advisory Group, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm.

#### ***Our Ownership Structure***

We are owned by Rehmann Financial Group, LLC. Rehmann Financial Group, LLC is owned by Rehmann, LLC. No shareholder of Rehmann, LLC has more than 25% control or ownership of our firm.

#### ***Assets Under Our Management***

As of January 1<sup>st</sup>, 2024, our regulatory assets under management are \$3,846,368,000. We manage \$2,728,385,000 on a discretionary basis and \$1,117,983,000 on a non-discretionary basis.

\$2,004,842,000 of the total listed above are ERISA assets. Full information regarding the discretion levels can be found in our most recent version of the ERISA ADV Part 2A that we provide to those clients.

#### ***Investment Advisory Services***

We offer a variety of advisory services. Our primary services are listed below and described in more detail later in this section (except for ERISA services which are described in a separate disclosure brochure):

- Portfolio Management Services
- ERISA Plan Consulting and Advising
- Access to Third Party Managers
- Financial Planning
- Financial Consulting

### ***Portfolio Management Services***

Rehmann Capital Advisory Group, LLC has relationships with multiple custodians (i.e. Fidelity Institutional Wealth Services ("Fidelity"), TD Ameritrade, and National Trust Advisory Company ("NATC")). This allows our Advisors to design a program or plan matched to your stated objectives and needs. The investment advisory services offered may vary from each of our Advisors. We do not have any proprietary products or funds. Rather, each Advisor provides you with their unique approach to your needs.

Some of our Advisors manage their own portfolios. They will have discussions with you regarding, among other things: your investment objectives, risk tolerance, investment time horizon, account restrictions, and overall financial situation. Based on this information, your Advisor will either construct a customized portfolio for you or utilize one of the models they have constructed and manage. These portfolios may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and/or other investments.

Our Advisors also work with Rehmann Capital Management Group (RCMG), our in-house investment team of managers that construct and monitor managed asset allocation models. These models are diversified across various investment styles and strategies. The portfolios typically consist of mutual funds, exchange-traded funds, equities, options, and/or debt securities.

We offer both discretionary and non-discretionary portfolio management services to our clients. Please reference *Item 16: Investment Discretion* for more information pertaining to this subject.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. For example, some clients have asked that we not purchase tobacco or alcohol securities in their accounts. Just provide us with a written request and, if possible, we will accommodate your request.

We recommend that all our clients work with a qualified attorney and/or tax professional. With your written permission, we will be glad to work with your current legal adviser or tax professional with respect to any estate planning and tax planning recommendations that we make to you.

We are not qualified to, and do not provide legal, tax or accounting advice. We also do not prepare legal documents for you. The only exception to this would be if your Advisor is also a dually licensed attorney or accountant in the state where you live. Your personal attorney will be solely responsible for providing legal advice, legal opinions, legal determinations, and legal documents. Your personal tax adviser or accountant will be solely responsible for any tax or accounting services provided to you.

We do not participate in wrap fee programs.

### ***ERISA Plan Consulting and Advising***

Rehmann Capital Advisory Group, LLC provides consulting and advisory services for employer-sponsored retirement plans in accordance with the Employee Retirement Income Security Act ("ERISA").

The services provided are ERISA 3(21) and 3(38) fiduciary services depending on the desires of the plan sponsor.

Both 3(21) and 3(38) advisors accept fiduciary responsibility and adhere to ERISA 404(a)'s duty to act in good faith and with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances. Plan sponsors retain the responsibility to select and monitor the advisor, regardless of their advisor's fiduciary status. These services are provided on a discretionary basis for ERISA 3(38) services and a non-discretionary basis for ERISA 3(21) services.

Under a 3(21) fiduciary advisory arrangement we will assist in the drafting of the investment policy statement (IPS), help design initial fund menu, monitor the selected investments, provide participant education, and provide guidance throughout the fiduciary process. As an ERISA Section 3(21) fiduciary, we do not have authority to make and implement fiduciary decisions for the plan. The plan sponsor is responsible for the selection and monitoring of the 3(21) investment manager and implementation of any of the 3(21) investment manager's investment recommendations, and assumes responsibility and liability for any overriding decisions made by the plan sponsor.

Plan Sponsors or trustees may also elect to appoint Rehmann Capital Advisory Group, LLC as a 3(38) fiduciary investment manager. Under this arrangement, we draft the IPS, accept discretion over plan assets, and assume full responsibility and liability for fiduciary functions related to the investment options available to plan participants and the ongoing monitoring and documentation requirements under ERISA.

### ***Access to Third Party Managers***

Some of the programs we offer will use the services of third-party money managers as sub-advisors. If your Advisor chooses this option, they will select a manager whose style and talent best fit your individual needs and objectives. Your agreement with us gives us the authority to hire or fire these managers on your behalf. Once a manager is selected, your Advisor will continue to monitor their performance. If our services to you include the use of these managers, you will typically sign an agreement with them in addition to the advisory agreement you will sign with us.

If you are interested in learning more about any of these third-party managers and their services, a complete description of their programs, services, fees, payment structure and termination features are found in their service disclosure brochures, investment advisory contracts, and account opening documents.

Our advisory responsibility is to select and monitor any third-party manager that provides services to us. Factors that we consider in their selection include:

- Their size
- How long they have been in business
- The experience level and turnover of their portfolio managers
- A review of their historical performance and risk measurements
- A review of their disclosure documents

In deciding to use a third party to manage your assets, we consider your risk tolerance, goals, objectives, time horizons, and general financial situation. We also consider your level of investment experience and the assets you have available for investment.

If you were to go to these third-party managers on your own, the fees they charge you may be more or less than going through us. However, when using their services directly, you will not receive our expertise in developing an investment strategy, selecting the managers to use, monitoring the performance of your account, and changing managers if needed.

### ***Financial Planning Services***

Financial planning and consulting services may include tax-related and other non-investment related matters, including educational services. The plan we develop for you will likely include general and specific recommendations for courses of action.

We provide one-time financial planning services that include a review of your financial circumstances, financial goals, and a written report of recommendations. A full financial plan normally covers:

- Present and anticipated assets and liabilities
- Insurance needs
- Savings needs
- Investments
- Anticipated retirement resources and needs
- Other employee benefits

We also offer modular financial plans. For example, if all you are looking for are college funding projections or a cash flow analysis, we will prepare a modular financial plan for you specific to these topics.

### ***Financial Consulting Services***

We offer consulting services on a one-time, ongoing, or periodic basis. Following is a short description of some of these non-discretionary investment advisory services.

Investment Portfolio Analysis: We provide you with investment advice on a non-discretionary basis. Communications would be done through mail, telephone, or e-mail. We may provide investment advice regarding:

- asset allocation
- investment portfolio construction
- investment selection
- investment adviser retention
- other services as agreed upon by both parties

Financial Counseling: We can help you design personal financial goals and objectives. We can also make recommendations on how your current financial resources are allocated.

Review of Accounts: We can perform an annual review of your account(s) and if necessary, recommend changes to your investments. We will also make recommendations for the implementation of proposed changes if needed.

Securities Research: We can provide research and advice regarding specific securities, industries and/or markets.

Other Advisory Services Relating to Securities: We offer other advisory services as described in the client agreement that you sign with us.

## **Item 5: Fees and Compensation**

In this section, we explain how we are compensated for the various advisory services we provide. We also describe some expenses you may experience related to those services. We believe that our charges and fees are competitive with firms offering similar services. However, lower fees for comparable services may be available from other sources. You can invest in mutual funds and other securities directly, without our services. In that case, you would not receive our assistance in determining which investments are most appropriate to your financial situation and objectives. We also would not be able to help you maintain a disciplined approach to portfolio rebalancing, anticipate tax consequences, and minimize emotional reactions to market events. Some investments may not be available to you directly without the use of an investment adviser.

We want you to be aware of how we are paid as well as any fees and compensation that we may receive in connection with the advisory services we provide. This information can be found in some or all the various documents:

- This ADV brochure
- Your client agreement
- Custodial agreements
- Mutual fund's prospectuses and Statements of Additional Information

Some of our Advisors may also receive commissions or other compensation as registered representatives, insurance counselors, and/or insurance agents. This additional compensation is separate and distinct from our advisory compensation. We discuss this in more detail later in this section.

### ***Negotiation of Fees***

Advisors may negotiate fees with you on a case-by-case basis. They will consider the nature and complexity of the service they are providing to you, their relationship to you, the value of the assets being managed, the potential for additional business or clients, the amount of work anticipated, and the attention needed to manage your assets.

Examples of this include:

- Advisors may waive or discount fees for family members
- Fees for a \$1,000,000 account may be lower than fees for a \$100,000 account.

## ***Asset Management Compensation***

We provide asset management services on an annual fee basis. The fee is based on a percentage of the assets that we manage. This is a very common form of compensation for registered investment advisory firms and avoids the conflict of interest associated with commission-based compensation (being paid for what is sold to you.)

The management fee is assessed, in advance, on a quarterly basis. We determine the dollar amount of the fee by multiplying the annual percentage fee by the market value of the assets held in the client's account on the last day of the previous quarter. Then, the amount is multiplied by the number of days in the previous quarter and divided by the number of days in the current year.

Advisory fees are adjusted for partial quarters for those accounts that are opened (or closed) during a quarter. To calculate this, we use the number of days in the quarter the funds were invested with Rehmann Capital Advisory Group, LLC and multiply the amount invested by the annual fee. That amount is then multiplied by the number of days invested and divided by the number of days in the year. This prevents you from being charged a full quarter when you open (or close) an account during a quarter.

Examples:

### Full quarter fee calculation:

Annual Fee:	1% (.01)
Account value at end of prior quarter:	\$100,000
Number of days invested:	91 (1/1/2012 – 3/31/2012)
Fee to be deducted/ invoiced:	\$248.64

$(.01 \times \$100,000 = \$1,000 \text{ annual fee})$   
 $(\$1,000/366) \times 91 = \$248.64 - \text{pro-rated 1}^{\text{st}} \text{ quarter 2012 fee})$

### Partial quarter fee calculation:

Annual Fee:	1% (.01)
Account value at time account was invested	\$100,000
Number of days invested:	45 (2/15/12 – 3/31/12)
Fee to be deducted/ invoiced:	\$122.95

$(.01 \times \$100,000 = \$1,000 \text{ annual fee})$   
 $((\$1,000/366) \times 45 = \$122.95 - \text{pro-rated 1}^{\text{st}} \text{ quarter 2012 fee})$

The program you are invested in determines if your quarterly fees are charged in advance or in arrears. For example, some third-party managers charge fees in arrears. This means that the fee you are charged covers the prior quarter as opposed coming quarter.

We allow clients to use margin in their accounts. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. If you use margin to purchase additional securities, the total value of your account assets increases, as does your asset-based fee. In addition, the custodian will charge margin interest on the debit balance in your account. The increased asset-based fee that you pay may provide an incentive for you



Financial Advisor to recommend the use of margin. Using margin is not suitable for all investors as the use of margin increases leverage in your account and therefore increases risk. Accordingly, the decision as to whether to employ margin is left totally to the discretion of the client.

We pay careful attention when calculating fees and review them on a regular basis. However, the custodian holding your assets will not determine whether the fee was properly calculated. You are also responsible for confirming that the fee we submit to the custodian is accurate. We do not provide you with a billing notification. We rely on the fact that the fees deducted are reported on your custodial statements for your review.

Typically, the management fee is deducted directly from your accounts. In limited circumstances, invoicing instead of fee deduction is available.

Annual fees will vary between 0.00% and 2.50%. This is due to several factors including:

- The value of the assets being managed (larger accounts may receive a discounted rate).
- The Advisor providing the investment advisory services.
- The type of investment advisory services provided.
- Your relationship to the Advisor (family members may not be charged a fee or may receive a significant discount)

If you are billed in advance and you terminate your agreement with us before the end of a billing period, any unearned fees will be returned to you in a timely manner.

### ***Fee Schedules and Cash Holdings***

Each of our Advisors set their own asset management fees as long it does not exceed 2.5% per year. Each Advisor also has the option to either include or exclude cash when assessing the management fee. This decision typically depends upon the level of cash being held and the amount of time the assets have been or will remain in cash. These fees are disclosed in the client agreement signed prior to us managing the assets.

Fees may also be assessed on securities currently listed on Rehmann Capital Advisory Group, LLC's restricted security list.

Fee-based compensation aligns our interests with yours. This is because our compensation increases when the assets we manage for you increase. However, this link between the value of your account and your Advisor's compensation can create a potential conflict of interest. If your account value decreases, so does their compensation. This may give them an incentive to discourage you from taking money from your account even if it might be in your best interest to do so. Examples might include using money in your managed account to:

- Pay down debt
- Increase savings to non-managed accounts (like your employer's 401(k))
- Make gifts to charities or to individuals
- Purchase a home, car, etc.
- Purchase a lifetime immediate annuity

- Travel
- Invest in private equity investments (private real estate ventures, closely held businesses, etc.)
- Establish a non-managed cash reserve account

We strive to maintain a high degree of objectivity and to ensure that our advice is not based on these incentives. However, the potential for conflicts of interest exists, and you must be aware of that fact when you consider our recommendations. We have also adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you always remains in your best interest and that we will disregard any financial impact these decisions may have on our firm.

### ***Account and Fee Minimums***

As a firm, we do not have account size or fee minimums. However, some of our Advisors may impose minimum account sizes and/or minimum quarterly fees. Minimum fees can potentially create higher than normal fees during down markets. Some of our Advisors may charge you a higher fee if you want them to manage assets that are below their typical account size.

Under certain circumstances, some Advisers may charge less than their standard minimum advisory fee to a client's account. This discounted fee is done on a case-by-case basis and is left to the sole discretion of your Advisor.

Some third-party managers also have their own account size and/or fee minimums. These will be disclosed in the manager's disclosure documents and any agreements you may sign with them. We also try to disclose these management fees (or fee ranges) in the client agreement that you will sign with us.

### ***Financial Planning and Consulting Compensation***

We charge fixed and/or hourly fees for financial planning and consulting services. Fees are based on several factors including time and labor, the nature and complexity of your situation, and any special circumstances involved. The individual providing the services is another factor considered. For example, if one of our para planners works on a project for you, their time will be charged at a lower rate than the Advisor's hourly rate.

Advisors can set their own fees if they stay within the guidelines below:

- Fixed fees
- Hourly rates – up to \$800 per hour. You are welcome to request an estimate of expected total hours at the start of the relationship.
- Retainers – a quarterly retainer fee is also an option if you want to be able to ask your Advisor questions without having to sign an agreement and be invoiced for each contact. The amount of the retainer fee will depend upon your circumstances, the complexity of your situation and how often you anticipate needing your Advisor's services.

All fee structures include preparation, analysis, meetings and phone calls with you, our time for meetings or phone calls with others (either with you or on your behalf).

A portion of a fixed fee may be due before services are provided. Any balances due upon completion of the services will be billed to you and are due upon receipt.

Your Advisor may waive or reduce the financial planning or consulting fee if we are also managing your assets. They may also offer you a courtesy discount. These options are at the discretion of the Advisor performing the services and are typically handled on a case-by-case basis.

Our financial planning agreement offers you the opportunity to receive an annual review of your financial plan. The fee for the service as well as the time period covered are both noted in the financial planning agreement. The first-year fee and annual review fee covers all normal and usual planning time and expenses. Additional planning may be required when unforeseen circumstances occur such as death, divorce, or other unexpected situations. These events can be covered on an hourly basis if desired.

If you terminate your financial planning and/or consulting agreement, the balance of our unearned fees (if any) will be returned to you in a timely manner. We determine these returned fees on a *pro rata* basis. If you terminate within five business days of entering into the agreement, we will provide a full refund. Your Advisor may recommend that you purchase securities or insurance products based on the financial plan or consultation provided. Please refer to “Additional Compensation – Reps and Agents” below for important information.

#### ***Additional Compensation- General***

The choice of a mutual fund and a share class can directly affect the compensation Rehmann Capital Advisory Group, LLC receives with respect to shares purchased and held in your account. As described in this brochure’s Item 10, *Other Financial Industry Activities and Affiliations*, most of our Advisors are dually registered with us as both investment adviser representatives and as brokerage representatives of an affiliated broker-dealer, Rehmann Financial Network, LLC. Accordingly, Rehmann Financial Network, LLC may receive a portion of the sales loads, 12b-1 fees, and other compensation paid by mutual funds with respect to shares purchased and held in our clients’ accounts.

The receipt of these fees poses a potential conflict of interest in determining which custodian to use for each client. To reduce the potential conflict, we do not pay out these types of compensation to our Advisors.

Additional information pertaining to mutual fund share class selection can be found at the end of this document in *Appendix I*.

#### ***Additional Compensation- Reps and Agents***

When providing financial planning or consulting services, your Advisor may recommend that you purchase certain securities or insurance products. If this occurs, your Advisor is doing so as a registered representative (“rep”) or as a licensed insurance agent. Additional compensation in the form of commissions are received if you act on these recommendations.

Your Advisor may also be a licensed insurance counselor. This allows them to advise you on the purchase of certain no load insurance products and receive a fee for that advice. As a result, your Advisor may have an incentive to make recommendations to you to receive this additional compensation. This does not mean that the products they may recommend are not suitable to meet your needs.

Your Advisor may also recommend that we manage your investments for you. This may provide additional compensation to your Advisor in the form of asset management fees. As a result, your Advisor may have an incentive to make these recommendations to receive the additional compensation.

You are never under any obligation to purchase products or services recommended by your Advisor. You always have the option of purchasing them through other brokers or agents who are not affiliated with us. It is important that you be aware of these potential conflicts. We encourage you to ask your Advisor if they are also a registered rep and/or a licensed insurance agent/counselor and discuss if that presents any conflicts.

### ***Custodian Fees***

The following are not sources of compensation to us but are costs that may be imposed by the financial institutions and/or other third parties associated with your accounts:

- Custodial fees
- Account termination fees – these are fees that may be charged when you close or transfer an account from one brokerage firm (custodian) to another. These fees tend to range from \$0 to \$200 but at times might be much higher. You should contact your existing custodian (brokerage firm, bank, or trust company, etc.) to determine if any account termination fees will be charged and deducted from your account if you decide to transfer the account to us.
- Charges imposed directly by mutual or exchange traded funds in the account. These fees are disclosed in the fund's prospectus and may include:
  - Fund management fees
  - Early redemption fees
  - Other fund expenses
- Transaction charges
- Confirmation fees (disclosed on confirmation statements)
- Deferred sales charges
- Odd-lot differentials
- Transfer taxes
- Wire transfer and electronic fund fees
- Other fees and taxes on brokerage accounts and securities transactions. For example, some custodians may charge an additional fee for each trade confirmation that you do not elect to receive electronically. These fees may vary between custodians but tend to average about \$1.50 per confirmation. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to the broker/dealer and/or custodian.

These charges and fees are in addition to our asset management fee.

Typically, the agreements you sign with us (and the financial institution holding your assets) authorize us to debit your account for our advisory fee. It also authorizes the financial institution to send the fee directly to us without violating any custody rules. We only work with financial institutions that will send

you a statement at least quarterly. Those statements will show all transactions in the account including any advisory fee taken for that period. See *Item 12: Brokerage Practices* for additional information.

### ***Third-Party Manager Fees***

Your Advisor may recommend that you use a third-party manager. In these situations, our advisory fee compensates your Advisor for the on-going monitoring and review of the manager's performance. Unless the third-party manager bundles our fee with theirs, all fees are separate from and in addition to our advisory fee. You may incur fees on top of those charged by us including, the third-party manager's fee, wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian fees.

As we noted above, some third-party managers will bundle our advisory fee into their management fee. In these cases, we will receive our fee directly from the third-party manager. Our fee is paid solely from the third-party manager's investment management fee and does not result in any additional charge to you.

The following fees and expenses are generally related to the use of third-party managers:

- Management fees paid to the Third Party
- Advisory fees paid to us as outlined in the client agreement that you sign with us
- Transaction costs – if applicable – which may be paid to purchase and sell such securities
- Custody fees charged by the custodian
- Administrative and service fees

Your account may be held with the third-party manager's custodian where your fees will be assessed and deducted. Management fees charged by third party managers may not be negotiable.

For further details, please be sure to carefully review the third-party manager's disclosure brochures and investment agreements.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

We are required by the SEC to disclose to you information regarding any performance-based fees and side-by-side management that we charge on our client accounts. Rehmann Capital Advisory Group, LLC does not charge performance-based fees or offer side-by-side management on any of our accounts.

### **Item 7: Types of Clients**

Our Advisors provide investment advisory services to a variety of clients. Below are examples of some of those clients:

- Individuals, Trusts, and families
- High net worth individuals
- Banking and/or Thrift Institutions
- State and/or Municipal Government Entities
- Pension and profit-sharing plans
- Charitable organizations
- Corporations

- Insurance companies

All clients are required to enter into an agreement with Rehmann Capital Advisory Group, LLC prior to the provision of any services. Please refer to Item 5 for more information pertaining to fees.

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

Portfolios are regularly monitored, and changes suggested or implemented when appropriate. A disciplined approach to rebalancing is employed to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax reduction, tax planning or other reasons.

### ***Methods of Analysis***

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. It is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis. We use mathematical models to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also monitor the funds or ETFs to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***Investment Strategies***

Long-Term Strategy. Our advisory services are generally designed for strategic long-term investing. However, we may sell investment securities from time to time without regard to the length of time they have been held.

The Long-Term assumption is that financial market values will increase over time and this may not happen. There is also the risk that the segment of the market you are invested in (or perhaps just your particular investment) will decrease over time even if overall stock market values increase. In addition, purchasing investments long-term may create an opportunity cost, “locking-up” assets that you may be better off using elsewhere.

### Stocks

- Financial Risk: the risk that the companies you are invested in may perform poorly affecting the value of your investment.
- Market Risk: the risk that the stock market will decline, decreasing the value of your investment.
- Inflation Risk: the risk that prices will increase in the economy and deteriorate a stock’s real return.
- Political and Governmental Risk: the risk that the value of your investment may be negatively affected by new regulations, changes in leadership, political unrest, etc.
- Certain securities recommended, such as U.S. small cap value and mid cap value stock mutual funds, and micro-cap mutual funds, possess higher levels of volatility (as individual asset classes within a portfolio). When we use these securities as part of an overall strategic asset allocation, it is because we believe that over the long-term, the potential return will be greater than the additional risk that may be experienced over the short-term.

### Bonds

- Interest Rate Risk: the risk that the value of bond investments will fall if interest rates rise.
- Call Risk: the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer but not favorable to you.
- Default Risk: the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or that they may not be able to pay you at all.
- Inflation Risk: the risk that price increases in the economy will deteriorate a bond’s real return.

### Alternative Investments

- Market Risk: the risk that the value of certain alternative investments will fall, including but not limited to commodities, currencies, and real estate investments.
- Manager Risk: although selected for lower volatility returns, certain alternative investment strategies may not perform as expected, and may lose value and/or increase portfolio volatility.

### Mutual Funds

Since a mutual fund may hold bonds and/or stocks, please refer to the risk under both of those sections.

- Manager Risk: the risk that an actively managed mutual fund’s investment adviser will fail to execute the fund’s stated investment strategy.



- **Market Risk:** the risk that the stock market will decline, decreasing the value of the securities being held by the mutual fund.
- **Industry Risk:** the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry. This would decrease the value of mutual funds that have a large amount invested in that industry.
- **Inflation Risk:** the risk that price increases in the economy will deteriorate a mutual fund's real return.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Cash Balances.** Cash is typically maintained in one of the money market mutual funds offered by the custodian holding your assets. Your Advisor will discuss your current and future cash flow needs. They can also help you create a plan to meet those needs. While it is not our practice to encourage clients to maintain a large amount of cash in their accounts, we will try to accommodate such requests.

If you want to maintain a substantial "cash reserve account," we may recommend that you open a separate, non-managed account. This account is not monitored but your Advisor may periodically review the levels of the account with you. These unmanaged accounts are excluded when calculating the advisory fee. These accounts are also excluded from the assets under management figures we report.

Additionally, we may recommend that you maintain a certain level of cash in your managed accounts to:

- facilitate fee taking and;
- provide liquidity for your cash flow needs or planned purchases.

This is to prevent us from having to sell a security at an inappropriate time to cover the fees due. This may slightly reduce your portfolio's returns when your portfolio returns are higher than the interest rate being paid on your cash balances.

### ***Summary***

Please discuss these and other risks in more detail with your Advisor. If your Advisor recommends that you use a third-party manager, please be sure to refer to their ADV brochure and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks. ***Investing in securities involves risk of loss that you should be prepared to bear.***

### **Item 9: Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events regarding the firm and our management team that would materially impact your evaluation of Rehmann Capital Advisory Group, LLC. No events have occurred that are applicable to this item.

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

To help us manage potential conflicts of interest, we require that our Advisors disclose their outside business activities to us on an annual basis.

As a subsidiary of Rehmann, LLC (“Rehmann”), we are affiliated with Rehmann’s other subsidiaries that provide financial services. You are under no obligation to purchase services from any of these firms when recommended by your Advisor in connection with providing you with any advisory service that we offer.

These affiliations are listed below and described in more detail in the following sub-sections:

- Rehmann Robson – audit, accounting and/or tax preparation services
- Rehmann Trust - Estate and Trust Administration services
- Rehmann Retirement Builders (RRB) – pension consulting
- Rehmann Insurance Group, LLC – fixed insurance services (life, health, property, and casualty)
- Rehmann Financial Network, LLC- a registered broker dealer
- Third Party Manager Activities
- Other Financial Industry Activities and Affiliations

Some of our employees are also partners of Rehmann, LLC. While we do not receive any portion of the fees generated by any of these entities, these individual partners are entitled to receive distributions relative to their respective ownership interest in Rehmann, LLC.

### ***Accounting and Tax Affiliation***

We do not provide accounting advice or tax preparation services. If you need these services, we may recommend Rehmann Robson, a subsidiary of Rehmann, LLC. The services provided by Rehmann Robson are independent from our advisory services. We may offer you bundled advisory and accounting/tax services in our agreement with you, but you would be required to sign a separate agreement with Rehmann Robson for those audit, accounting and/or tax services.

### ***Rehmann Trust***

Rehmann, LLC created Rehmann Trust, a Trust Representative Office of National Advisors Holdings, Inc. and National Advisors Trust Company, FSB (collectively, “NATC”). National Advisors Trust is a wholly owned subsidiary of National Advisors Holdings, Inc. (“NAH”). Rehmann, LLC owns equity interests (less than 1%) in NAH. This interest allows Rehmann, LLC to create a private label trust solution offered through National Advisors Trust. As a shareholder of National Advisors Trust, Rehmann, LLC benefits by realizing a profit in the form of dividends or corporate distributions from National Advisors Trust. Given Rehmann, LLC’s equity ownership in NAH, a recommendation to utilize Rehmann Private Trust presents a conflict of interest.

Rehmann Wealth can recommend Rehmann Trust to its advisory clients seeking trust services. The grantor in a trust agreement would name Rehmann Wealth as the investment manager, with discretion to manage the trust estate. Rehmann Wealth can also assist the families or intended heirs of a deceased client to transition the deceased client’s assets to the appropriate recipient(s) based on the deceased client’s estate planning documents and financial account beneficiary designation forms. The types of services that

can be provided to the client will vary, based upon the complexity of the deceased client's asset structure and the complexity of the administrative provisions set forth in the deceased client's estate planning documents.

### ***Pension Consulting Affiliation***

We do not provide pension planning or qualified retirement plan administration services. If you need these services, we may recommend Rehmann Retirement Builders ("RRB"). RRB is independent from our advisory firm and as such requires that a separate engagement agreement be signed with them for their plan administration services.

### ***Insurance Affiliation***

We do not sell fixed insurance products but some of our Advisors may do so as fully licensed insurance agents and/or counselors of Rehmann Insurance Group, LLC ("RIG"). RIG is independent from our advisory firm. Please see *Item 5: Fees and Compensation* for potential additional costs and conflicts of interest associated with this activity.

### ***Broker Dealer Affiliation***

Rehmann Financial Network, LLC is a registered broker dealer. Many of our Advisors are registered representatives ("reps") of Rehmann Financial Network, LLC. This allows your Advisor to sell you direct mutual funds or variable annuities under a commission arrangement. This activity is independent of the advisory services we provide. Please refer to *Item 5: Fees and Compensation* for potential conflicts related to this activity.

### ***Third Party Manager Activities***

Some of our Advisors may recommend third party money managers for the management of your assets. Please refer to *Item 4: Advisory Business*, *Item 5: Fees and Compensation*, *Item 14: Client Referrals and Other Compensation* and *Item 16: Investment Discretion* for additional information on our use of third-party money managers.

### ***Other Financial Industry Affiliations***

**StoneCastle:** Rehmann Wealth serves as a Placement Agent for StoneCastle Network, LLC. Rehmann Wealth can recommend that the client enter into a FICA® For Advisors Account Application with StoneCastle Cash Management, LLC, an affiliate of StoneCastle Network, LLC (together, "StoneCastle"). The FICA® For Advisors program (the "Program") provides investment advisers with access to a high-yield, federally insured cash depository accounts (the "Depository Account[s]") for its clients. As part of the Program, the client will be asked to provide Rehmann with a Limited Power of Attorney to act upon Client's behalf with StoneCastle, and its bank counterparties, to establish and maintain the Depository Account[s]. No client is required to establish an Account.

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

We have adopted a Code of Ethics for all our employees. This Code expresses our commitment to ethical conduct and is used to guide the personal conduct of our various team members. The Code describes the firm's fiduciary duties and responsibilities to clients and sets forth our practices of supervising the personal securities transactions of employees who have access to client trade information.

The key concept of the Code is that Rehmann Capital Advisory Group, LLC, and our employees shall always:

- Place your interests first,
- Act with integrity and dignity when dealing with clients, prospects, team members, and others,
- Strive to maintain and continually enhance a high degree of professional education,
- Seek to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients,
- Keep your securities holdings and financial circumstances confidential.

### ***Participation or Interest in Client Transactions and Personal Trading***

Rehmann Capital Advisory Group, LLC does not participate in securities in which we have a material financial interest. As a matter of policy, we would never recommend to clients, or buy or sell for client accounts, securities in which our firm has a material financial interest.

Certain members of Rehmann, LLC are investing in a private venture capital fund. Some of our Advisors may also be owners of Rehmann, LLC. This relationship may create an incentive for an Advisor to recommend this fund to their clients. Due to this potential conflict of interest, owners who are affiliated with our registered investment advisory firm must obtain approval from the Chief Compliance Officer prior to investing in this fund.

Our employees can buy and sell individual securities for their personal accounts that you may also invest in. This may create a conflict of interest if they receive a better price than you do on that trade. To manage this conflict, our Code of Ethics states that Rehmann Capital Advisory Group, LLC employees can't receive a better price than you do if the trade is placed for the same security on the same day on the same side of the market (buying or selling). We recommend that our Advisors delay trading in their personal accounts until the next day to prevent any underlying conflict of interest and to eliminate the need for a trade correction if they trade on the same day and receive a better price than the client.

To supervise compliance with our Code of Ethics, we require employees who possess access to advisory recommendations (before or at the time they are entered into) ("access persons") to provide personal annual securities holding reports and quarterly transaction reports to our compliance department.

We also require access persons to receive advance approval prior to investing in any initial public offerings, private placements, and certain "restricted" individual securities. Any third-party managers we use are not affiliated with us and will be governed by their own policies and procedures. You should refer to their ADV brochure documents for information on their Code of Ethics.

### ***Non-Public Information and Privacy***

Our Code of Ethics prohibits the use of material non-public information. It also establishes procedures aimed at protecting your confidential information.

### ***Gifts Made to and Given by Our Advisors***

Investment managers can occasionally give nominal gifts to advisors subject to a limit of \$100 per employee per calendar year. We do not permit any gifts or entertainment conditioned on the achievement of a sales target. No gifts received relate to any transactions or investments made by our clients.

Advisors are also limited in gifts that they may receive from or give to clients. This limit is up to \$100 per client per calendar year and is in place to prevent client favoritism.

Our Code of Ethics requires that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

We will be glad to provide you with a complete copy of our Code of Ethics upon request.

### **Item 12: Brokerage Practices**

We cannot manage your assets until you have signed an asset management agreement with us and have established an account at a qualified custodian or financial institution. Following are a list of custodians we currently have agreements with:

- Fidelity Institutional Wealth Services and its affiliates (collectively referred to as “Fidelity”)
- Schwab
- National Advisors Trust Company (NATC)

The following are some of the third-party managers we use that custody the assets they manage:

- SEI
- Other broker-dealers recommended by us or directed by you, trust companies, banks, etc.

We are independently operated and owned and are not affiliated with any of these firms. These firms provide us with access to institutional trading and custody services that are typically not available to retail investors. Not all independent investment advisors recommend that their clients use a custodian. We have a duty to obtain “best execution” for you, i.e., a price that is as favorable to you as possible under the prevailing market conditions. In seeking best execution, we must consider the quality of services—not just the lowest cost.

When determining which financial institution to recommend to you, we take into consideration several factors. These include, but may not be limited to the firm’s:

- Financial strength
- Reputation
- Execution
- Pricing
- Research
- Services

- Responsiveness

All these factors help us determine which firm will fulfill both your needs for best execution and our need to provide you with the best services available.

The custodians we use do not charge you separately for custody services. They are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The custodians we use provide us with access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Although we have negotiated fees with each custodian we use, you might pay higher transaction fees with them than you would with other discount brokers. We believe the services and benefits offered more than offset any potentially higher fees.

We are under no obligation to recommend any custodian to you. We do not believe that these services and benefits materially affect our recommendations to you. However, in the interest of full disclosure, we need to make you aware that there is a potential conflict of interest. This is because we may have incentive to recommend a custodian based on our interest in receiving these benefits, rather than on your interest in receiving the most favorable execution price (“best execution”).

To monitor this conflict, we have a Best Execution Committee. The committee meets on an annual basis to review all existing custodial relationships considering our duty to obtain best execution for you. Part of process includes rating each custodian on each of the items listed above as well as discussing other issues or concerns that have occurred during the previous year.

In connection with the provision of third-party money managers, our choice of custodian may be limited to the choices offered by that manager.

### ***Aggregating / “Batching” Client Transactions***

Whenever possible, we will aggregate your trade orders with those of other clients in what we call a “block” trade order. This is done to obtain volume discounts on execution costs. For each account that we include in the block trade, we must reasonably believe that the order is consistent with our duty to seek best execution for all clients participating in the aggregated order. The average price per share of a block trade is allocated to each account that participates. Accounts that participate in the same block trade are charged transaction costs, if applicable, in accordance with their client agreement.

The aggregation and allocation practices of mutual funds and third-party managers that we recommend to you are disclosed in their mutual fund prospectuses and third-party manager disclosure documents.

We will not receive any additional compensation or remuneration as a result of the aggregation.

### ***Soft Dollar Arrangements***

We do not engage in any soft dollar practices. A soft dollar arrangement is one in which we would direct commissions generated by transactions to a third party in exchange for services that are for the benefit of the client but are not client directed.

### ***Other Economic Benefits***

Some of the custodians we utilize provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

We may also receive additional benefits (also known as “non-cash” compensation) as a result of our relationships with some of the financial institutions listed above. These resources are also referred to as “Other Economic Benefits”. Examples include:

- Receipt of duplicate client confirmations
- Receipt of electronic duplicate account statements
- Access to trading desks that exclusively service investment adviser firm participants (these trading desks may also provide research, pricing information, and other market data)
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts
- Access to electronic communication networks for client order entry and account information
- Access to the investment advisor portion of their web sites (this may include practice management articles, compliance updates, and other financial planning related information and research materials)
- Access to other vendors on a discounted fee basis through discounts arranged by the custodians
- Computer software and related systems support to assist us in monitoring client accounts, place trades, do research
- Telephone conferences with managers, analysts, etc.
- Financial assistance for client events and advisor meetings
- Invitations to due diligence, educational or reward meetings related to our business

### ***Directed Brokerage***

We have relationships with multiple custodians. Your Advisor will recommend that you use one custodian for your investments with us. The choice of the custodian is based on factors such as the value of your investments and your investment needs.

As our client, you may direct us in writing to use a custodian (broker-dealer) to execute some or all transactions in your account(s). If we do not have an agreement with that firm, you will need to negotiate the terms and arrangements for the account. We will not seek better execution services or prices. We will also not be able to aggregate transactions to achieve better pricing. You may also pay transaction costs and/or receive less favorable net prices.

Subject to our duty of best execution, we may decline your request to direct brokerage. We may do this if we believe the arrangement would result in additional operational difficulties or violate restrictions imposed by other firms we (or our Advisors) have agreements with. We are aware of our duty to obtain best execution for you and have implemented policies and procedures reasonably designed to do so.

### ***Trade Errors***

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the custodian that has custody of your account. At no time will you experience a loss due to an error on our part. If necessary, we shall reimburse your account for the loss resulting from the error and any other fees associated with correction of the error.

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

It is important that you discuss any changes in your financial situation, goals, and objectives with your Advisor. We will contact you at least once a year to review our previous services and/or recommendations. This is the time for you and your Advisor to discuss the impact resulting from any changes in your financial situation and/or investment objectives.

Trades in your account are monitored for suitability by an appointed supervisor. Custodians typically send account statements monthly which will show all activity in your accounts during that period.

Clients who receive financial planning and/or consulting services receive written reports directly from their Advisor. These reports summarize the Advisor's analysis and conclusions on topics noted in the agreement. All reviews are conducted on an as needed or as requested basis.

The portfolio management services provided by RCMG are conducted on a continuous basis. Therefore, all these account types receive the benefit of this review on the same basis. RCMG's investment team is in constant communication with various markets and acts accordingly to make appropriate adjustments to portfolios as situations arise. External events, economic or market related could also trigger a portfolio review to ascertain if any adjustments are warranted.

You may request reports regarding the background of the managers being considered for engagement. These reports may include their past performance in addition to business history.

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

#### ***Client Referrals***

In some cases, we pay referral fees to affiliated and unaffiliated third parties ("Solicitors") equal to a percentage of the advisory fees collected from the clients the Solicitor referred to us.

For example, John Smith refers you to Advisor Brown. John Smith has signed a solicitor agreement with us to receive 10% of the fees we charge to you. We are charging you 1% a year on the \$100,000 of assets being managed by Advisor Brown. When we receive the first quarter's fees of \$250 ( $(\$100,000 \times .01)/4 = \$250$ ), we will pay 10% of that \$250 to John Smith as a referral fee.



As you can see from the example above, referral fees paid out do not result in any additional charge to you. The specific terms and obligations of the Solicitor and our Advisors are outlined in a written solicitation agreement. Our Code of Ethics prohibits us from favoring referred clients over others. If you are introduced to us by one of these Solicitors, we will provide you with our written disclosure statement containing the terms and conditions of the referral arrangement.

### ***Other Compensation***

*Item 5: Fees and Compensation* discusses how we are compensated for our advisory services.

You should also be aware of and consider potential conflicts of interest related to indirect forms of compensation and benefits that we and our Advisors may receive from third parties (such as mutual fund managers, third party asset managers, and through our executing brokers) in connection with the sale of investment products and services to clients. These forms of compensation are in addition to client advisory fees we receive and may impact the recommendations that are made to you. To manage these conflicts, our security trades are reviewed for suitability by an appointed supervisor. You are encouraged to ask us about any of the conflicts presented below. We want you to note the following:

General. Some third-party managers set limits on the fees that can be charged, and some will have higher limits than others. This may create an incentive for us to recommend advisory services or programs with higher limits. In addition, some sponsors may charge us usage fees and other expenses to use their advisory programs. This would decrease the amount of money we make when offering investment advice to you. This would also create an incentive to provide you with advisory programs and services that are cheaper for us to use but may not be as suitable to your needs.

Mutual Funds. Our Advisors may participate in programs that reduce or waive transaction charges for purchasing certain securities. This may provide us with incentive to invest your account in these securities over securities that do not participate in these programs to reduce our transaction costs even if such investments may not always be suitable for your account.

Training / Education. Third party managers, custodians and/or broker-dealers may provide our Advisors with the opportunity to attend training events or educational conferences. They may cover all or a portion of the cost of the event, travel, meals and lodging expenses for the attendees. Payment/reimbursement of these expenses is not contingent upon the sale of any specific securities. Our Advisors may have an incentive to recommend the firms that offer these opportunities over those that do not. Some custodians may also cover some of the costs of meetings we hold for our Advisors. This may provide us with an incentive to place business with that custodian. Our Advisors are required to disclose such events on an annual basis. Please see *Item 12: Brokerage Practices – Other Economic Benefits* for non-cash compensation we may receive from the custodians we use.

### **Item 15: Custody**

Rehmann Capital Advisory Group, LLC is deemed to have limited custody of client funds and securities because we have the ability to deduct advisory fees from the client's custodial account. Rehmann Capital Advisory Group, LLC also has the authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA).

We do not act as a qualified custodian for our client assets. All transactions in your advisory accounts clear through a qualified and unaffiliated custodian. You will receive account statements and trade confirmations directly from the custodian who holds your assets. The custodians we utilize will typically send you a statement every month. You should carefully review these statements to make sure they are accurate.

Clients may request that their Advisor provide them with additional written reports that might include a list of account holdings, account values and/or account performance. The frequency of these reports is determined on a case-by-case basis and upon the discretion of your Advisor. We recommend that you compare these reports to the statements you receive from your custodian to make sure they are accurate.

### **Item 16: Investment Discretion**

We manage your accounts on either a discretionary or non-discretionary basis. We will only manage your account on a discretionary basis with your written authorization. This consent is granted and evidenced in the client agreement that you sign with us.

Discretion: gives us the authority to make the following decisions without getting your consent first:

- which securities to be bought or sold
- the amount of securities to be bought or sold
- the timing of the transaction

Discretion does not apply to the withdrawal or transfer of your account funds. These activities will require your written signature each time.

Restrictions: You may request that we place limitations on this discretionary authority at any time. This might include a request to refrain from investing in certain investments or specific securities. Just provide your Advisor with the written request and we will accommodate you if possible.

Limited and Non-Discretion: You may also request we use limited or non-discretion on your accounts with us. Under a non-discretionary agreement, we refrain from initiating transactions in your account(s) until we receive authorization from you, except when we deduct advisory fees from your account(s). In a limited discretion arrangement, the discretionary management of your assets is limited to fixed income and/or preferred stock assets. All other assets in your account(s) are managed on a non-discretionary basis.

### **Item 17: Voting Client Securities**

Without exception, we do not vote client proxies. Typically, custodians will have proxies sent directly to you. Some custodian agreements allow you to mark a box that will result in the custodian mailing proxies to us. It is important that you realize that if you elect to have your proxies sent directly to us, we will not vote them but will shred them upon receipt. You may direct any questions about proxy voting or specific questions concerning a solicitation you have received directly to your Advisor.

### **Item 18: Financial Information**

We are adequately capitalized and do not foresee any financial conditions that might prevent us from meeting our commitments to you.

**Item 19: Requirements for State-Registered Advisers**

This item does not apply because of our registration with the SEC.

**Supplement 1: Business Continuity Plan**

Rehmann Capital Advisory Group, LLC has a Business Continuity Plan in place for all its offices. The plan provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

### ***Disasters***

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway, or aircraft accident. Electronic files are backed up daily and archived on and offsite.

### ***Alternate Offices***

Alternate work locations are identified to support ongoing operations in the event any office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### ***Loss of Key Personnel***

Replacements have been identified for all key personnel in the event of serious disability or death.

## **Supplement 2: Information Security Program**

Rehmann, LLC maintains an information security program for all its divisions to reduce the risk that personal and confidential information may be breached.

### ***Privacy Notice***

We are committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. With permission, we may provide this information to attorneys, accountants, and mortgage lenders with whom your clients have established a relationship. We may also, within reason, share information between our affiliated firms. Your clients may opt out from this sharing of information by notifying us at any time by telephone, mail, fax, email, or in person.

We maintain secure offices to ensure that non-public information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our records and personal records as permitted by law.

Personally identifiable information will be maintained while we are providing services to your clients and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver our Privacy Notice to you annually, in writing.

### **Supplement 3: Mutual Fund Share Class Selection Disclosure**

### ***Mutual fund share classes***

Client portfolios contain a mix of mutual funds, stocks, bonds, and other types of securities. In some instances, the Firm receives additional compensation with respect to mutual funds that may be purchased for and held in your account. The amount of this type of compensation varies and is affected by the selection of each mutual fund's "share class". There are several important considerations affecting share class selection, as explained below.

Most mutual funds offer multiple share classes. Share classes are designed by mutual fund companies with differing expenses, charges, terms, conditions, exchange rights, and holding periods, among other terms, all of which are important considerations in the selection among those share classes in the same fund. Generally, multiple share classes are offered by a mutual fund to fit several broadly applicable investment circumstances depending upon important variables such as the investment objectives; investment strategy; amount invested; anticipated holding periods; reinvestment or exchange limitations; redemption, trading, or other transaction-driven costs; investor characteristics (e.g., ERISA plans); and other important considerations. We take these and other factors into consideration when recommending or selecting mutual fund share classes for your account.

While share classes are commonly designated by letters such as "A", "B", "C", "D", "E", "F" and "I" shares, the use of these generic class labels is not uniform among mutual fund companies. Each mutual fund company structures the specific terms, conditions, rights, and expenses associated with its share classes differently, and sometimes these characteristics change over time. So, for example, "A" shares offered by one mutual fund company may have different legal and economic attributes than "A" shares offered by another fund company.

Each mutual fund company's share class has various conditions to its availability such as minimum purchases, minimum holding periods, investor-type eligibility, and may impose different limitations upon redemptions, exchanges, and other variable shareholder rights. Some share classes may offer "breakpoints" and "accumulation rights" that can lower the up-front cost when significantly higher amounts are invested in the fund at one time or accumulated over a specified period. At some fund companies an "institutional" share class may be available for qualifying investors subject to other limitations and considerations.

### ***Commissions, On-going fund-level fees, and "ticket" charges***

While each share class within the same mutual fund owns a proportionate share of the fund's investments, each share class typically bears different sales-related charges such as "front-end", "contingent", and/or deferred "back-end" commissions or "sales loads". Each class also bears differing on-going management fees, administrative fees, custody fees, and distribution or shareholder servicing fees—sometimes these are referred to as "12b-1 fees" that are commonly paid pursuant to "12b-1 plans" adopted by many mutual fund companies. In addition to sales charges and on-going fees, commonly each mutual fund purchase, sale, redemption, or exchange may also bear a transactional "ticket charge" to pay for handling each order. These sales loads, on-going asset-based fees, and ticket charges are borne by the investors who purchase and hold these mutual funds in their accounts and are in addition to the compensation you pay us for our investment advisory services. Transactional "ticket" charges may be negotiated, waived under some circumstances.

Sales charges, 12b-1 fees, on-going asset-based fees, and other fund-level expenses are deducted from the fund's assets and so reduce the investment returns. These types of expenses vary by share class and so how much of these expenses are borne by specific investors depends on the selection, holding period, amount invested, and other factors described above. These fees and expenses are disclosed in the mutual fund's expense ratios disclosed in each mutual fund's prospectus or statement of additional information, which are publicly available and provided to you upon request.

Share classes with upfront sales charges commonly impose lower on-going asset-based fees, so the anticipated holding period is important. With no or lower upfront sales charges, more of your principal is immediately invested but for those share classes mutual funds typically cover their distribution and shareholder servicing costs with higher on-going asset-based expense ratios. Higher on-going fees accumulate over time and so the anticipated holding period becomes important. Different share classes may also bear different transaction charges for redemptions and exchanges. Comparisons of cumulative share class expenses commonly look at an investment holding period of several years.

Additional information about mutual fund share classes and investor tools are available on the SEC's website at: <https://www.sec.gov/answers/mfclass.htm> and <https://www.sec.gov/investor/tools.shtml>.

The SEC also offers a tool for calculating mutual fund fees and expenses at:  
<https://www.sec.gov/investor/tools/mfcc/mfcc-int.htm>

This tool can be used to compare different funds and share classes as further discussed below.

### ***No-load or "NTF" share class***

Most but not all mutual funds offer a so-called "no-load" ("no transaction fee" or "NTF") share class. No-load share classes do not charge investors an up-front sales commission at the time of purchase but do charge higher on-going asset-based fees such as management fees and 12b-1 fees, to compensate for the costs associated with the distribution and/or shareholder servicing of those shares. Commonly, no-load shares do not have minimum holding periods and do not have an initial upfront cost, so offer more flexibility when the anticipated holding period is anticipated to be relatively short. Shorter holding periods may be anticipated in periods of higher market volatility or when the funds are used in connection with model portfolios that may change periodically without specific consideration of an investor's holding period. This share class's on-going fees tend to be higher, so holding this type of shares accumulates more expense over time than other share classes.

### ***Front-end Loaded – "A" Shares***

"A" shares typically charge a front-end sales charge. When you pay a front-end sales charge, that money does not go into your account and so does not contribute to your investment return from those shares. "A" shares may offer "breakpoints" and "accumulation rights" that can lower the up-front cost when larger amounts are initially purchased or purchased over a period time. While A shares may also impose an on-going asset-based fees, those expenses are generally lower than charged to other share classes. Because of the higher up-front expense and lower on-going fees, A shares are commonly selected when longer-term holding periods are anticipated. Commonly, A shares do not pay on-going 12b-1 fees because the mutual fund's distribution costs are paid in the upfront sales charge.

### ***Contingent Deferred Sales Charges – “B” Shares***

“B” shares typically do not impose a front-end sales charge, but instead impose a “contingent deferred” sales charge (“CDSC”), which you may pay if you do not continue to own these shares for the fund’s specified holding period(s). Typically, the CDSC declines over time (e.g., year to year) and is eventually eliminated. Once eliminated, B shares are often “converted” into Class A shares automatically by the mutual fund company. B shares commonly bear higher on-going asset-based fees than A shares until converted. When converted from B to A shares, those shares will bear the same on-going asset-based fees.

So unlike A share purchases, all your dollars are immediately invested in your account, but your fund-level expenses may be higher, as measured by the fund’s expense ratio and your holding period should be longer to reduce or avoid the CDSC expense. Commonly, “break points” are not available for B shares, so A shares may be less expensive for large purchases. Commonly, B shares do pay on-going 12b-1 fees to cover some of the mutual fund’s distribution and shareholder servicing expenses, which may be reduced when B shares are converted to A shares at the end of the holding period.

### ***Deferred Sales Charges – “C” Shares***

Like “B” shares, “C” shares usually do not impose a front-end sales charge at the time of purchase, so all your money is immediately invested. Often C shares impose a smaller CDSC if you sell your shares shortly after purchase, often a one-year period. However, C shares typically impose higher on-going asset-based fees than A shares and, unlike B shares, C shares generally do not eventually convert into A shares, so their on-going asset-based fees are not reduced over time. C shares are often used for asset-allocation purposes when the anticipated holding period is anticipated to be shorter. In most cases the on-going expense ratio for C shares is higher than either A or B shares, so more of these expenses accumulate over time for this share class than others.

### ***Institutional Share Class – “I” Shares***

Institutional share classes, commonly labeled “I” shares, are not offered by all mutual fund companies, may not be available to all investors, may impose large minimum purchase thresholds, and may impose minimum holding periods. These considerations may be inconsistent with some client’s investment objectives or anticipated investment time horizon. For example, I shares typically impose front-end sales charges (less than A shares), often because of higher minimum investment thresholds, but impose lower on-going asset-based expenses. I shares commonly pay on-going 12b-1 fees for distribution and servicing, but lower in amount than B or C shares.

### ***Impacts of Share Class Selection***

Your Advisor may recommend or select for your account no-load mutual fund share classes instead of other share classes that charge you a sales load. No-load share classes commonly have higher expense ratios to cover distribution or shareholder servicing expenses and/or revenue sharing payments than sales loaded funds that commonly have a lower on-going expense ratio. When selecting and/or recommending a share class, your Advisor will consider a variety of factors including its expense ratio, the initial and anticipated account size, our use of asset allocation models with smaller accounts (which are rebalanced or trade based on the model rather than client-specific considerations), and other factors that may vary



depending on the client. For example, commissions and transaction-driven charges; anticipated holding periods; trading costs, redemption and reinvestment fees and trading limitations; tax considerations; and class eligibility criteria that vary among mutual fund companies.

Based upon these and other considerations, in some instances we may choose a no-load share class having higher on-going expenses over an I share class that imposes sales charges but has a lower on-going expense ratio. Our share class selections are based upon then available information and circumstances, which may later turn out differently for many reasons beyond our control, including your changing investment objectives, financial needs, or time horizon.

When clients come to us already owning mutual funds holding share classes that we would not necessarily have chosen, we may or may not recommend repositioning those holdings to obtain lower on-going expense ratios in view of tax consequences and other considerations associated with changing share classes. We believe this approach is appropriate because it more closely aligns our total compensation with our services and the types of securities held by of our clients.

Our primary objective in structuring our compensation from all sources is to keep our base advisory fees low, while maintaining flexibility in managing our client's portfolios. To accomplish this, we charge our investment advisory fees in addition to any sales charges, 12b-1 or custodial revenue sharing compensation, and we do not reduce our advisory fees to offset for our receipt of this third-party compensation. In many instances our Advisors may choose a no-load fund, particularly for smaller accounts, even though it has a higher expense ratio, because typically that share class is not economically constrained by transaction-driven fees or minimum holding periods. Fixed transaction-driven costs (e.g., \$25 per trade) impact smaller accounts having smaller transactions more than larger accounts having larger transactions.

### ***Mutual Fund Share Class Conflicts of Interest***

12b-1 fees for distribution and/or shareholder servicing and revenue sharing payments received from mutual funds and custodians pose potential conflicts of interest in our Advisor's choice of mutual funds, share class selection, and account custodian. We mitigate this conflict by requiring our Advisors to document the basis for their recommendations. Our Advisors are the investment decision-makers for our clients' accounts, so we retain at the firm level and do not payout any share of this compensation to our Advisors. We believe this approach mitigates the incentive for our Advisors to recommend one mutual fund company, share class, or account custodian over another.

At the time of making our mutual fund share class recommendations or selections, we provide clients with a written summary of information disclosed by each mutual fund company about the applicable sales charges, on-going asset-based fees, 12b-1 fees, revenue sharing, and ticket charges, and the reasons for our share class selection. See each mutual fund's prospectus and statement of additional information for more details about its available share classes, their attributes, and applicable loads, fees, other charges, and available break points. Ask us if you have questions about mutual funds, share classes, the pros/cons associated with available share classes, or our recommendation or selection of share classes.