

**Form ADV Part 2A: Disclosure Brochure**

**Item 1. Cover Page**

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**5<sup>TH</sup> STREET  
ADVISORS**

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March 21, 2024

**NOTICE TO POTENTIAL CLIENTS:  
READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

This brochure provides information about the qualifications and business practices of 5th Street Advisors, LLC (herein after "5th Street" or "the firm") If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer, Shane D. Pendley at the telephone number listed above. 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 5th Street Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 5th Street Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This section of the brochure discusses only the material changes that have occurred since the last Form ADV Part 2 was filed in March 2023.

Since 5th Street's last brochure dated filing March 1, 2023, Shane Pendley replaced Suzanne Hammer as Chief Compliance Officer on October 1, 2023.

Other than as described above, there have been no material changes since 5th Street filed its previous Firm Brochure dated March 1, 2023.

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## **Item 4. Advisory Business**

5th Street Advisors is an investment adviser providing financial planning, consulting, and investment management services. The firm has been in business since August 9, 2006. Cesar G. Manent, Abelardo S. Curdumi, and Shane D. Pendley are the owners.

As of December 31, 2023, 5th Street had \$ 462,607,033 of assets under management, including \$305,944,170 of discretionary assets and \$156,662,862 of non-discretionary assets.

Prior to engaging 5th Street's services, clients are required to enter into one or more written agreements with firm setting forth the terms and conditions under which 5th Street renders its services (collectively the "Agreement").

This disclosure brochure describes the business of 5th Street. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of 5th Street's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on 5th Street's behalf and is subject to 5th Street's supervision or control.

### **Investment Management Services**

Clients can engage 5th Street to manage all or a portion of their assets on a discretionary or non-discretionary basis.

Under a discretionary investment advisory agreement, 5th Street takes on full responsibility for the ongoing management of a client's investments, in accordance with the client's investment needs. The client's assets are custodied in accounts with a third-party Financial Institution, typically Fidelity or Schwab, and 5th Street is granted a limited power of attorney with trading authority to buy, sell and otherwise effect investment transactions related to the account.

5th Street may also render non-discretionary investment management services for client assets held outside of the firm's primary third-party custodians ("held away assets") where the firm does not have discretionary trading authority, such as a client's variable life/annuity products, individual employer-sponsored retirement plans, or other products. Non-discretionary advice, therefore, may include recommending the allocation of client assets among the various investment options that are available with the product, but never transacting.

5th Street tailors its advisory services to the individual needs of clients. 5th Street consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that impact the clients' investment needs. 5th Street ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

### **Financial Planning Services**

Financial planning does not involve ongoing account management, but rather focuses on a client's overall financial situation and encompasses a range of financial topics that may include non-investment related matters. 5th Street provides both standalone financial planning services as well as consulting services to investment advisory clients as needed.

Financial planning services typically involve an analysis of the client's current financial situation and future goals or objectives, along with a recommendation of a course of action for achieving the goals and/or illustrations of potential outcomes. The firm is available to assist with implementing a plan, but the client is under no obligation to act upon any of the recommendations made by 5th Street under a financial planning or consulting engagement or to engage the services of any recommended professionals, including 5th Street itself. Consultations with existing investment management clients are less formal, and while they may include illustrative reports, they typically do not include written, narrative summaries or recommendations.

In providing financial planning services, 5th Street relies on the information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.). It remains the client's responsibility to promptly notify 5th Street if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising 5th Street's previous recommendations and/or services.

### **Retirement Plan Consulting and Advisory Services**

5th Street provides retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant directed defined contribution plans and/or non-participant directed defined benefit plans. As the needs of the plan sponsor dictate, our firm may assist with investment policy statements, ongoing investment recommendations/monitoring, performance reports, changes in investment options, 404(c), Qualified Default Investment Alternative ("QDIA"), service provider liaison, participation education services, participant enrollment, support and vendor analysis, benchmarking and/or fee identification.

All retirement plan consulting services shall comply with the applicable laws regulating retirement consulting services. This applies to client accounts that are retirement or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and our firm accepts appointment to provide services to such accounts, our firm acknowledges its fiduciary status within the meaning of Section 3(21) or 3(38) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

## **Item 5. Fees and Compensation**

The Firm offers its services on a fee basis, which include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Investment Management Fees**

We provide investment management services for an annual fee. The fee is prorated for cash flows and charged quarterly, in arrears, based upon the market value of the assets being managed by 5th Street on the last day of the previous quarter. The maximum annual fee shall not exceed 1.00% p.a.

5th Street's annual fee is exclusive of, and in addition to any third-party fees such as brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. 5th Street does not receive any portion of third-party commissions or fees, and we strive to manage client portfolios in a manner that reduces or eliminates unnecessary fees.

### **Financial Planning and Consulting Fees**

Financial planning is complementary for investment management clients who meet the minimum portfolio value described in Item 7.

For all other clients, we charged a fixed fee and/or hourly fee for financial planning and consulting services. These fees vary, but generally range from \$3,000 to \$5,000 on a fixed fee basis and/or \$400 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the services.

Prior to engaging 5th Street to provide financial planning and/or consulting services, the client is required to enter into a written agreement with 5th Street setting forth the terms and conditions of the engagement. Generally, 5th Street requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement with the balance due upon delivery of the financial plan or completion of the agreed upon services.

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), 5th Street recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") and Schwab Advisor Services ("Schwab") for investment management accounts.

5th Street may only implement its investment management recommendations after the client has

arranged for and furnished 5th Street with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Fidelity and Schwab, any other broker-dealer recommended by 5th Street, broker-dealer directed by the client, trust companies, banks, etc., (collectively referred to herein as the “Financial Institutions”).

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which is disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to 5th Street’s fee.

### **Fee Debit**

5th Street’s Agreement and the separate agreement with any Financial Institutions may, at the client’s election, authorize 5th Street to debit the client’s account for the amount of 5th Street’s fee and to directly remit that management fee to 5th Street. Any Financial Institutions recommended by 5th Street has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to 5th Street. Alternatively, clients may elect to have 5th Street send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis.

The Agreement between 5th Street and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. 5th Street’s fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that 5th Street reserves the right to liquidate any transferred securities or decline to accept certain securities into a client’s account. 5th Street may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

Clients may make additions to and withdrawals from their account at any time, subject to 5th Street’s right to terminate an account. Clients may withdraw account assets on notice to 5th Street, subject to the usual and customary securities settlement procedures. However, 5th Street designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee



payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the quarter.

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

5th Street does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

5th Street provides its services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and business entities.

### **Minimum Account Size**

5th Street imposes a minimum portfolio size of \$500,000. 5th Street, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. 5th Street may aggregate the portfolios of family members to meet the minimum portfolio size.

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

### Methods of Analysis and Investment Strategies

5th Street's investment philosophy emphasizes strategic asset allocation according to each client's goals and risk tolerance. We generally do not analyze individual securities, but instead focus on top-down analysis of underlying fundamentals in economic sectors and regions throughout the world, as well as cyclical and global macro trends. In doing so, we incorporate research from various sources, including independent third-party research and research provided by asset managers to develop an investment thesis, identify which securities are best positioned to succeed within that thesis, and establish appropriate weights at which to invest in each instrument within our proprietary model portfolios.

Our portfolios are globally diversified and generally, though not exclusively, composed of exchange traded funds and mutual funds. In selecting the specific securities to fulfill our asset allocation objectives, we consider the performance history, management team, reasonableness of fees, and liquidity, among other facts. We regularly adjust weights and change the composition of our models as market conditions warrant, as well as rebalance accounts as each position's weight changes.

Because our portfolios are designed to provide a range of opportunities across the risk spectrum, we work with each client to determine their specific objectives and risk profile. Once established, we manage all or a portion of their accounts pursuant to the model best suited to their circumstances.

### Risk of Loss

#### **INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.**

Investing involves a risk of loss. Clients should be prepared to bear investment loss, including the loss of the original principal. Clients should never presume that the future performance of any specific investment or investment strategy will be profitable. Further, there may be varying degrees of risk depending on different types of investments. Clients should know that all investments carry a certain degree of risk ranging from the variability of market values to the possibility of permanent loss of capital. Although portfolios seek principal protection, asset allocation and investment decisions may not achieve this goal in all cases. There is no guarantee a portfolio will meet a target return or an investment objective. Risks to consider include:

**Market Risk**—There is risk that a client's investment value may fall because of systemic market conditions, such as changes in interest rates, exchange rates, geopolitical events, natural disasters, and political turmoil. Diversification will not protect against these risks.

**Company Risk**—Company or "unsystematic" risk is unique to specific a company or industry.

Although this risk can be reduced through appropriate diversification, it cannot be eliminated. There is always the risk that the issuer of the security will perform poorly or have its value reduced based on factors specific to the issuer or its industry.

***Mutual Funds***—A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. Each share represents an investor's part ownership in the fund and the income it generates. All funds carry some level of risk. With mutual funds, you may lose some or all of the money you invest because the securities held by a fund can go down in value. Dividends or interest payments may also change as market conditions change.

***Exchange-Traded Funds***— Like mutual funds, ETFs offer investors a way to pool their money in a fund that makes investments in stocks, bonds, or other assets and, in return, to receive an interest in that investment pool. Unlike mutual funds, however, ETF shares are traded on a national stock exchange. ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value," that is, the value of the ETF's assets minus its liabilities divided by the number of shares outstanding.

***Management Risk***--The profitability of a significant portion of 5th Street's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. However, we cannot represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

### **Management Through Similarly Managed Accounts**

5th Street manages portfolios by allocating portfolio assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In so doing, 5th Street buys, sells, exchanges and/or transfers shares of mutual funds or securities based upon the investment strategy.

5th Street's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

The investment strategy may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to 5th Street's clients may be limited. For example, various mutual funds or insurance companies may limit the ability of 5th Street to buy, sell, exchange or transfer securities consistent with its investment strategy. As further discussed in response to Item 12 (below), 5th Street allocates

investment opportunities among its clients on a fair and equitable basis.

## **Item 9. Disciplinary Information**

5th Street is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. 5th Street does not have any required disclosures to this Item.

## **Item 10. Other Financial Industry Affiliations**

5th Street is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. 5th Street has described such relationships and arrangements below.

### **Related Insurance**

Certain of 5th Street's Supervised Persons, in their individual capacities, are also licensed insurance agents or brokers and in such capacity may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While 5th Street does not sell such insurance products to its investment advisory clients, 5th Street does permit its Supervised Persons, in their individual capacities as licensed insurance agents or brokers, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that 5th Street recommends the purchase of insurance products where 5th Street's Supervised Persons receive insurance commissions or other additional compensation.

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## **Item 11. Code of Ethics**

5th Street has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. 5th Street’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the firm or any of its Supervised Persons.

The Code of Ethics also requires certain of 5th Street’s personnel (called “Access Persons”) to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, 5th Street Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no Access Person may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact 5th Street to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

5th Street's As discussed above, in Item 5, 5th Street recommends that clients utilize the brokerage and clearing services of Fidelity and Schwab.

Factors which 5th Street considers in recommending Fidelity and Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity and Schwab may enable the firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity and Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by 5th Street's clients to Fidelity and Schwab comply with the firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where 5th Street determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. 5th Street seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist 5th Street in its investment decision-making process. Such research generally will be used to service all of the firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because 5th Street does not have to produce or pay for the products or services.

5th Street periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

5th Street may receive without cost from Fidelity and Schwab computer software and related systems support, which allow 5th Street to better monitor client accounts maintained at Fidelity and Schwab. 5th Street may receive the software and related support without cost because the firm renders investment management services to clients that maintain assets at Fidelity and Schwab. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit 5th Street, but not its clients directly. In fulfilling its duties to its clients, 5th Street endeavors at all times to put the interests of its clients first. Clients should be aware, however, that 5th Street's receipt of

economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, 5th Street may receive the following benefits from Fidelity and Schwab:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Fidelity also makes available to the Firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by 5th Street (within specified parameters). These research and brokerage services are used by the Firm to manage accounts for which it has investment discretion.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Fidelity and Schwab. Fidelity and Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Fidelity and Schwab generally do not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Fidelity and Schwab or that settle into Fidelity and Schwab accounts.

Fidelity and Schwab also make available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Fidelity and Schwab. Other potential benefits may include occasional business entertainment of personnel of 5th Street by Fidelity and Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist 5th Street in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Fidelity and Schwab. Fidelity and Schwab also make available to 5th Street other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and

conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Fidelity and Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Fidelity and Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, 5th Street endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Fidelity and Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Fidelity and Schwab, which creates a potential conflict of interest

**Brokerage for Client Referrals**

5th Street does not consider, in selecting or recommending broker/dealers, whether the firm receives client referrals from the Financial Institutions or other third party.

**Directed Brokerage**

The client may direct 5th Street in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by 5th Street (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, 5th Street may decline a client's request to direct brokerage if, in the firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties

**Trade Aggregation**

Transactions for each client will be effected independently, unless 5th Street decides to purchase or sell the same securities for several clients at approximately the same time. 5th Street may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among 5th Street's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which 5th Street's Supervised Persons may invest, the firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. 5th Street does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated

to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

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

5th Street monitors client accounts on an ongoing basis. The nature of these reviews is to determine whether client accounts are in line with their investment objectives and are appropriately positioned based on market conditions and the firm's investment models.

The firm's advisors are available to meet with clients as needed and endeavor to review accounts with the client at least annually. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with 5th Street and to keep 5th Street informed of any changes thereto.

Clients are provided with transaction confirmation notices and regular account statements directly from the custodian or plan administrator for the client accounts. Clients are always encouraged to compare any account reports provided by 5th Street with the statements provided by the custodian or plan administrator.

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

### **Client Referrals**

5th Street does not currently provide compensation to any third-party solicitors for client referrals.

### **Other Economic Benefits**

The Firm receives economic benefits from Fidelity and Schwab. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## **Item 15. Custody**

5th Street's Agreement and/or the separate agreement with any Financial Institution may authorize 5th Street through such Financial Institution to debit the client's account for the amount of 5th Street's fee and to directly remit that management fee to 5th Street in accordance with applicable custody rules.

The Financial Institutions recommended by 5th Street have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to 5th Street. Clients should carefully review the statements sent directly by the Financial Institutions.

### **Standing Letters of Authorization**

5th Street may also effectively have custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. Clients, however, should still carefully review the statements sent directly by the Financial Institutions.



## **Item 16. Investment Discretion**

5th Street may be given the authority to exercise discretion on behalf of clients. 5th Street is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. 5th Street is given this authority through a power-of-attorney included in the agreement between 5th Street and the client and an agreement between the client and the custodian. Clients may request a limitation on this authority (such as requesting that certain securities not to be bought or sold). 5th Street takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- The timing the transactions are made.

### **Item 17. Voting Client Securities**

5th Street is required to disclose if it accepts authority to vote client securities. 5th Street does not vote client securities on behalf of its clients.

## **Item 18. Financial Information**

5th Street is not required to disclose any financial information pursuant to this Item due to the following:

- 5th Street does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- 5th Street does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- 5th Street has not been the subject of a bankruptcy petition at any time during the past ten years

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# **5<sup>TH</sup> STREET ADVISORS**