

# Courage Miller Partners, LLC

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ADV Part 2A, Brochure  
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This Brochure provides information about the qualifications and business practices of Courage Miller Partners, LLC (“Courage Miller”). If you have any questions about the contents of this Brochure, please contact us at (757) 390-3100 or [courage.miller@couragemiller.com](mailto:courage.miller@couragemiller.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Courage Miller also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References to Courage Miller as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes to this ADV Part 2A, Brochure since the March 23, 2023 annual update filing.

Courage Miller’s Chief Compliance Officer, Ralph Courage, is available to address any questions about this Brochure or any conflicts of interest presented.

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

- A. Courage Miller is a Delaware Limited Liability Company formed and registered as an investment adviser in August 2008. Ralph Courage is Courage Miller's principal owner, who serves as Managing Member and Chief Compliance Officer.
- B. Courage Miller offers investment advisory services, retirement plan consulting services, and financial planning and related consulting services to its clients, who generally include individuals, high net worth individuals, charitable organizations, corporations and other entities, pensions, and profit sharing plans.

##### **INVESTMENT ADVISORY SERVICES**

Clients can engage Courage Miller to provide discretionary or non-discretionary investment advisory services on a fee-only basis. Courage Miller's annual investment advisory fee is based on a percentage of the market value of the assets placed under Courage Miller's management. The investment advisory fee compensates for initial and limited financial planning and consulting services that Courage Miller provides in its sole discretion as part of the investment management process, or as specifically requested by the client and upon Courage Miller's agreement. Before engaging Courage Miller to provide investment advisory services, clients enter into an investment advisory agreement with Courage Miller setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fee that is due from the client.

Courage Miller tailors its investment advisory services to the specific needs of each client. Before providing investment advisory services, an investment adviser representative will collaborate with the client to develop investment objectives, which are based upon an assessment of factors that typically include: capital preservation; risk tolerance; income production; liquidity requirements; client preferences; asset and liability levels; and investment restrictions. Then, Courage Miller will allocate or recommend that the client allocate investment assets consistent with the designated investment objectives. Courage Miller primarily allocates client investment assets among various individual equity (stocks), debt (bonds), mutual funds, fixed income securities and exchange traded funds ("ETFs") (including inverse ETFs and mutual funds that are designed to perform in an inverse relationship to certain market indices) on a discretionary or non-discretionary basis in accordance with the client's designated investment objectives. Once allocated, Courage Miller provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and may periodically execute or recommend execution of transactions for the account based upon those reviews or other triggering events.

##### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

Courage Miller may offer to provide financial planning and consulting services (including investment and non-investment related matters, including tax planning, estate planning, insurance planning, cash flow analysis, etc.) on a stand-alone separate fee basis. Before engaging Courage Miller to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Courage Miller setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client before Courage Miller will begin to provide services.

## RETIREMENT PLAN SERVICES

Courage Miller offers retirement plan consulting services to sponsors of self-directed retirement plans organized under the Employee Retirement Security Act of 1974 (“ERISA”). The terms and conditions of the engagement between Courage Miller and the plan sponsor will be set forth in a Pension Consulting Agreement. If Courage Miller performs these services in an ERISA Section 3(21) capacity, it will assist the plan sponsor with the development of investment policy statements, and then the selection and monitoring of investment alternatives from which plan participants may choose in self-directing the investments for their individual plan retirement accounts. Upon request by the plan sponsor, Courage Miller may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. If the plan sponsor chooses to engage Courage Miller in an ERISA Section 3(38) capacity, Courage Miller may provide the same services as described above, but may also: create specific asset allocation models that Courage Miller manages on a discretionary basis, which plan participants may choose in managing their individual retirement account; and/or modify the investment options made available to plan participants on a discretionary basis.

## MISCELLANEOUS

ERISA / IRC Fiduciary Acknowledgment. When Courage Miller provides investment advice to a client about the client’s retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. Because the way Courage Miller makes money creates some conflicts with client interests, Courage Miller operates under a special rule that requires it to act in the client’s best interest and not put its interests ahead of the client’s. Under this special rule’s provisions, Courage Miller must: meet a professional standard of care when making investment recommendations (give prudent advice); never put its financial interests ahead of the client’s when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that Courage Miller gives advice that is in the client’s best interest; charge no more than is reasonable for Courage Miller’s services; and give the client basic information about conflicts of interest.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If Courage Miller recommends that a client roll over their retirement plan assets into an account to be managed by Courage Miller, such a recommendation presents a conflict of interest if Courage Miller will earn a new (or increase its current) advisory fee as a result of the rollover. Clients are not obligated to roll over retirement plan assets to an account managed by Courage Miller.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. To the extent requested by a client, Courage Miller may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Courage Miller does not serve as a law firm, accounting firm, or insurance agency, and no portion of Courage Miller’s services should be construed as legal, accounting, or insurance implementation services. Unless specifically agreed in writing, neither Courage Miller nor its representatives are responsible to implement any financial plans or financial planning advice, provide ongoing financial planning services, or provide ongoing monitoring of financial plans or financial planning advice. Clients are

solely responsible to revisit the financial plan or financial planning advice with Courage Miller, if desired. Courage Miller's financial planning and consulting services are completed upon communicating its recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement. Clients retain absolute discretion over all financial planning and related implementation decisions and are free to accept or reject any recommendation from Courage Miller and its representatives in that respect. Upon specific request, Courage Miller may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.). Clients are not obligated to engage the services of any recommended professionals, who are responsible for the quality and competency of the services they provide.

Asset Aggregation / Reporting Services. Courage Miller may provide access to reporting services through one or more third-party aggregation / reporting platforms that can reflect all of the client's investment assets, including those investment assets that the client has not engaged Courage Miller to manage (the "Excluded Assets"). Courage Miller's service for the Excluded Assets is strictly limited to reporting, and specifically excludes investment management or implementation. Because Courage Miller does not have trading authority for the Excluded Assets, the client (and/or a designated investment professional), and not Courage Miller, will be exclusively responsible for directly implementing any recommendations for the Excluded Assets and the resulting performance or related activity (such as timing and trade errors) pertaining to the Excluded Assets. The third-party aggregation / reporting platforms may also provide access to financial planning information and applications, which should not be construed as services, advice, or recommendations provided by Courage Miller. Accordingly, Courage Miller will not agree to be responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the third-party reporting platforms without Courage Miller's participation or oversight.

Portfolio Trading Activity / Inactivity. As part of its investment advisory services, Courage Miller will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods when Courage Miller determines that upon review, trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Client Obligations. When performing its services, Courage Miller is not required to verify any information received from the client or from the client's designated professionals and is expressly authorized to rely on that information. Clients are responsible to promptly notify Courage Miller if there is ever any change in their financial situation or investment objectives for the purpose of reviewing or amending Courage Miller's services or previous recommendations.

- C. Courage Miller provides investment advisory services specifically tailored to the needs of each client. Before providing investment advisory services, an investment adviser representative will coordinate with each client to develop their investment objectives. Then, Courage Miller will allocate or recommend that the client allocate investment assets consistent with the designated investment objectives. The client may, at any time, impose reasonable restrictions, in writing, on Courage Miller's services.
- D. Courage Miller does not participate in a wrap fee program.

- E. As of December 31, 2023, Courage Miller had \$344,850,581 in assets under management on a discretionary basis and \$37,150,070 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage Courage Miller to provide discretionary investment advisory services on a fee-only basis.

### **INVESTMENT ADVISORY SERVICES**

If a client engages Courage Miller to provide discretionary or non-discretionary investment advisory services on a fee-only basis, Courage Miller's annual investment advisory fee is generally based on a percentage of the market value of assets placed under Courage Miller's management on a tiered basis as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$0 - \$1,000,000	0.85%
Next \$1,000,000-\$5,000,000	0.70%
Next \$5,000,000 - \$10,000,000	0.55%
Over 10,000,000	0.40%

Unless Courage Miller expressly agrees otherwise in writing, account assets consisting of cash and cash equivalent positions are included in the value of an account's assets for the purposes of calculating this fee. Clients can advise Courage Miller not to maintain (or to limit the amount of) cash or cash equivalent positions in their account. Courage Miller's investment advisory fee is negotiable in limited circumstances at Courage Miller's sole discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professionals providing the service; prior or family relationships with Courage Miller and its representatives, and negotiations with the client. Courage Miller may also agree to aggregate account values for related clients (such as spouses and minor children sharing the same residence) for the purpose of reducing the overall fee. Certain legacy clients may have accepted different pre-existing service offerings from Courage Miller and may therefore receive services under different fee schedules than as set forth above. As a result of these factors, similarly situated clients could pay different fees which correspondingly impact a client's net account performance. In addition, the services to be provided by Courage Miller to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

Courage Miller's financial planning and consulting fees are negotiable, but generally range from \$2,500 to \$10,000 on a fixed fee basis, and from \$200 to \$500 on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering the services.

### **RETIREMENT PLAN CONSULTING**

The terms and conditions of Courage Miller's retirement plan consulting engagement are set forth in a Retirement Plan Consulting Agreement between Courage Miller and the plan sponsor. Courage Miller's negotiable annual fee for retirement plan consulting services is based upon a percentage of the market value of assets held by the plan. This fee generally ranges between 0.10% and 0.60% of the market value of the plan assets and depends on the scope and complexity of the services requested.

- B. Clients may elect to have Courage Miller's advisory fees deducted from their custodial account. Both Courage Miller's investment advisory agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Courage Miller's investment advisory fee and to directly remit that management fee to Courage Miller in compliance with regulatory procedures. In the limited event that Courage Miller bills the client directly, payment is due upon receipt of Courage Miller's invoice. Courage Miller deducts fees or bill clients quarterly in advance, based upon the market value (including accrued earnings like accrued interest and dividends) of the assets on the last business day of the previous quarter, adjusted for time-weighted inflows and outflows exceeding one thousand dollars. The values used to calculate investment advisory fees based on the market value of client assets may differ from the values shown on the applicable client's custodial statement due to various account activities such as unsettled trades, accrued interest, and accrued dividends, which may not be reflected on that client's custodial statement as of the valuation date.
- C. Courage Miller generally recommends Charles Schwab and Co., Inc. ("Schwab") or Fidelity Inc. ("Fidelity") and their respective affiliated entities serve as the broker-dealers/custodians for client investment management assets. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule and they or their affiliated or unaffiliated custodians impose additional charges for custodial services and other fees associated with maintaining the client's account. Without limiting the foregoing, clients may be required to pay certain charges and administrative fees related to their investment advisory accounts, including, but not limited to transaction charges (including mark-ups and mark-downs) resulting from trades executed through or with a broker-dealer other than the designated broker-dealer/custodian, transfer taxes, transfer or wiring fees, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. Courage Miller does not share in those funds or expenses.
- D. Courage Miller's annual investment advisory fee is prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter, adjusted for inflows and outflows exceeding one thousand dollars. The investment advisory agreement between Courage Miller and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the investment advisory agreement. Upon termination, Courage Miller will refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. Neither Courage Miller, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Courage Miller, nor any supervised person of Courage Miller, accepts performance-based fees.

## **Item 7            Types of Clients**

Courage Miller's clients generally include individuals, high net worth individuals, charitable organizations, corporations and other entities, pensions and profit sharing plans. Courage Miller

does not impose any mandatory requirements for opening or maintaining investment advisory accounts. Courage Miller, its sole discretion, may reduce or waive its fees based upon various factors including but not limited to the amount of assets to be managed; account composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professionals rendering the services; and negotiations with the client.

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

A. Courage Miller typically uses the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Courage Miller typically uses the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Risk in General. Investing in securities involves the risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and investment strategies recommended or undertaken by Courage Miller) will be profitable or equal any specific performance level. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease, and client account values could suffer a loss.

B. Courage Miller's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Courage Miller must have access to current/new market information. Courage Miller has no control over the dissemination rate of market information; therefore, unbeknownst to Courage Miller, certain analyses may be compiled with outdated market information, severely limiting the value of Courage Miller's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable or profitable investment opportunities.



Courage Miller's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, Courage Miller primarily allocates client investment assets among various individual equity (stocks), debt (bonds) fixed income securities, mutual funds, and ETFs on a discretionary or non-discretionary basis in accordance with the client's designated investment objectives. Each type of investment has its own unique set of associated risks associated with it. The following provides a non-exhaustive description of some of the underlying risks associated with the types of investments and management processes that Courage Miller uses or recommends:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors) but may also be incurred because of a security's specific underlying investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic, and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Unsystematic Risk. Unsystematic risk is the company-specific or industry-specific risk in a portfolio that the investor bears. Unsystematic risk is typically addressed through diversification. However, as indicated above, diversification does not guarantee better performance and cannot eliminate the risk of investment losses.

Value Investment Risk. Value stocks may perform differently from the market as a whole and following a value-oriented investment strategy may cause a portfolio to underperform growth stocks.

Growth Investment Risk. Prices of growth stocks tend to be higher in relation to their companies' earnings and may be more sensitive to market, political and economic developments than other stocks, making their prices more volatile.

Small Company Risk. Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are more vulnerable than larger companies to adverse business or economic developments and they may have more limited resources.

Commodity Risk. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political, and regulatory developments.

Foreign Securities and Currencies Risk. Foreign securities prices may decline or fluctuate because of: (i) economic or political actions of foreign governments, and/or (ii) less regulated or liquid

securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate), which primarily relates to fixed income securities.

Credit Risk. The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk. During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk. Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments.

Mutual Fund Risk. Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Exchange Traded Fund Risk. ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds, or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action

appropriate, the shares are de-listed from the exchange, or the activation of market-wide “circuit breakers” (which are tied to large decreases in stock prices) halts stock trading generally.

Cash and Cash Equivalent Risk. Courage Miller may hold a portion of client’s assets in cash or cash equivalent positions (such as but not limited to money market funds) typically for defensive and liquidity purposes. Investments in these assets may cause a client to miss upswings in the markets. Courage Miller’s advisory fee could exceed the interest income from holding cash or cash equivalents. Clients can advise Courage Miller not to maintain (or to limit the amount of) cash or cash equivalent positions in their account.

Cybersecurity Risk. The information technology systems and networks that Courage Miller and its third-party service providers use to provide services to Courage Miller’s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Courage Miller’s operations and result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. Clients and Courage Miller are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Courage Miller has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Courage Miller does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Margin / Securities Based Loans. Courage Miller does not recommend the use of margin for investment purposes. However, if a client determines to take a margin loan that collateralizes a portion of the assets that Courage Miller is managing, Courage Miller’s investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan.

Without limiting the above, upon specific client request and generally in a financial planning context, Courage Miller may help clients evaluate and establish a margin or securities based loan (“SBL”) with the client’s broker-dealer/custodian or their affiliated banks (each, an “SBL Lender”) to access cash flow. Compared to real estate-backed loans, an SBL could provide access to funds in a shorter time, provide greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of SBLs should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. SBLs are not suitable for all clients and are subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client’s securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in SBL programs, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program

in which the client enrolls, and the procedures for issuing “margin calls” and liquidating securities and other assets in the client’s accounts.

If Courage Miller recommends that a client apply for a SBL instead of selling securities that Courage Miller manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which Courage Miller’s investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by Courage Miller. Likewise, the same ongoing conflict of interest is present if a client determines to apply for a SBL on their own initiative. These ongoing conflicts of interest would persist as long as Courage Miller has an economic disincentive to recommend that the client terminate the use of SBLs. If the client were to invest any portion of the SBL proceeds in an account that Courage Miller manages, Courage Miller will receive an advisory fee on the invested amount, which could compound this conflict of interest. If a client accesses an SBL through its relationship with Courage Miller and the client’s relationship with Courage Miller is terminated, clients may incur higher (retail) interest rates on the outstanding loan balance. Clients are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although Courage Miller seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement, and all risk disclosures provided by the SBL Lender as applicable and contact Courage Miller’s Chief Compliance Officer with any questions about the use of SBLs.

## **Item 9           Disciplinary Information**

Courage Miller has not been the subject of any disciplinary actions.

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

- A. Neither Courage Miller, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Courage Miller, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Courage Miller’s Managing Members, Ralph Courage and Jeffrey Miller, are also Managers and Investment Adviser Representatives of Courage Korving Miller Partners, LLC (“CKMP”) which has been registered as an investment adviser with the Commonwealth of Virginia State Corporation Commission (CRD # 318067) since October 2022. CKMP’s other indirect principal owners, Arie Korving and Stephen Korving, are Managing Members and Investment Adviser Representatives of Korving & Company LLC, (“K&C”) which is an SEC registered investment adviser (SEC # 801-120828). Courage Miller anticipates that upon CKMP’s full launch, any new prospective clients of Courage Miller will be referred to CKMP to receive investment advisory, financial planning, or similar services. The recommendation by a Courage Miller representative that CKMP provide services presents a conflict of interest if CKMP were to charge higher fees than the client incurred or would incur at Courage Miller. CKMP mitigates that conflict of interest by honoring the previously charged fee structure or renegotiating that fee structure with the prospective clients in limited circumstances. Clients are not under any obligation to engage CKMP, Courage Miller, or K&C, and are reminded that they can receive similar services from other, non-affiliated investment advisers.

- D. Courage Miller does not recommend or select other investment advisors for its clients for which it receives a fee.

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

- A. Courage Miller maintains an investment policy relative to personal securities transactions. This investment policy is part of Courage Miller's overall Code of Ethics, which serves to establish a standard of business conduct for all of Courage Miller's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940, Courage Miller also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Courage Miller or any person associated with Courage Miller.
- B. Neither Courage Miller nor any related person of Courage Miller recommends, buys, or sells for client accounts, securities in which Courage Miller or any related person of Courage Miller has a material financial interest.
- C. Courage Miller and its representatives may buy or sell securities that are also recommended to clients. This practice may create a situation where Courage Miller and its representatives could be in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Courage Miller did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of Courage Miller's clients) and other potentially abusive practices. However, the types of securities and the size of the transactions that Courage Miller and its representatives would typically execute for themselves at or around the same time as those securities are recommended to clients have not been and not are expected to be the types of transactions that could materially affect the market in general or the execution price that clients ultimately realize.

Courage Miller has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Courage Miller's "Access Persons." Courage Miller's securities transaction policy requires that an Access Person of Courage Miller must provide the Chief Compliance Officer or their designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or their designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Courage Miller selects; provided, however that at any time that Courage Miller has only one Access Person, they are not required to submit any securities report described above.

- D. Courage Miller and its representatives may buy or sell securities, at or around the same time as those securities are recommended to, purchased, or sold for clients. This practice creates a situation where Courage Miller and its representatives could be in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. However, the types of securities and the size of the transactions that Courage Miller and its representatives would typically execute for themselves at or around the same time as those securities are recommended to, purchased, or sold for clients have not been and not are expected to be the types of transactions that could materially affect the market in general or the execution price that clients ultimately realize. Further, as indicated above in Item 11.C., Courage Miller has a

personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Courage Miller's Access Persons.

## **Item 12 Brokerage Practices**

- A. If a client requests that Courage Miller recommend a broker-dealer/custodian for execution or custodial services, Courage Miller generally recommends investment management accounts be maintained at Charles Schwab & Company ("Schwab") or Fidelity Investments ("Fidelity") and their respective affiliates, both of which are SEC-registered and FINRA member broker-dealers and qualified custodians. Before engaging Courage Miller to provide investment management services, clients enter into a formal agreement with Courage Miller setting forth the terms and conditions for the management of the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which broker-dealer/custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing that could cause differences in account performance.

When seeking "best execution," from a broker-dealer, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution when considering the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Although Courage Miller cannot guarantee clients will always experience the best possible execution available, Courage Miller seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services.

Courage Miller considers a wide range of factors when recommending a broker-dealer/custodian, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- Quality of services (including research);
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to Courage Miller and its other clients.

Schwab and Fidelity are compensated for their services according to their fee schedule, which may vary, generally by charging clients commissions or other fees on trades they execute or settle into their custodial account. Although Courage Miller will seek competitive rates and seek best execution for its clients, Courage Miller's clients may not necessarily obtain the lowest possible commission rates for all account transactions. The fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Courage Miller's investment advisory fees. In an attempt to minimize client trading costs, Courage Miller generally directs the client's designated broker-dealer/custodian to execute most if not all trades for client accounts. When doing so,

Courage Miller has determined that having that broker-dealer/custodian execute most trades is consistent with the duty to seek “best execution” of client trades.

1. Research and Other Benefits

While Courage Miller does not receive traditional “soft dollar benefits,” Courage Miller and by extension, its clients receive access to certain institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab and Fidelity retail customers. Schwab and Fidelity also make various support services available to Courage Miller. Some of those services help Courage Miller manage or administer its clients’ accounts while others help it manage and grow its business. Schwab and Fidelity’s support services generally are available on an unsolicited basis (Courage Miller does not have to request them) and at no charge to Courage Miller.

Schwab and Fidelity’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and Fidelity include some to which Courage Miller might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. These services benefit Courage Miller’s clients and their accounts.

Schwab and Fidelity also make other products and services available to Courage Miller that benefit Courage Miller but may only indirectly benefit its clients or their accounts, such as investment research developed by Schwab, Fidelity, or third parties that Courage Miller may use to service clients’ accounts. In addition to investment research, Schwab and Fidelity also make available software and other technology that:

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

Schwab and Fidelity may offer other services intended to help Courage Miller manage and further develop its business. These services include:

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

Schwab and Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Courage Miller. Schwab and Fidelity may discount or waive their fees for some of these services or pay all or a part of a third party’s fees. Schwab and Fidelity can also provide occasional business meals and entertainment for Courage Miller’s personnel. The availability of the services and products described above that Courage Miller receives from Schwab (the “Services and Products”) provides Courage Miller with an advantage, because Courage Miller does not have to produce or purchase

them. However, Courage Miller does not have to pay Schwab, Fidelity, or any other entity for Services and Products that Schwab and Fidelity provide. Courage Miller's clients do not pay more for investment transactions executed or assets maintained at Schwab or Fidelity as a result of these arrangements. The receipt of Services and Products is not contingent upon Courage Miller committing any specific amount of business to Schwab or Fidelity in trading commissions or assets in custody. There is no corresponding commitment made by Courage Miller to Schwab, Fidelity, or any other entity to invest any specific amount or percentage of client assets in any specific securities or investment products as a result of the above. However, these arrangements nonetheless incentivize Courage Miller to recommend clients maintain their account with Schwab and Fidelity based on its interest in receiving Schwab and Fidelity's services that benefit its business rather than based on clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. This presents a conflict of interest. When making such a recommendation, however, Courage Miller does so when it reasonably believes recommending Schwab or Fidelity to serve as broker-dealer/custodian is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab or Fidelity's services and not Schwab and Fidelity's services that benefit only Courage Miller.

2. Courage Miller does not receive referrals from broker-dealers.

3. Directed Brokerage.

Courage Miller recommends its clients utilize the brokerage and custodial services provided by Schwab and Fidelity. Courage Miller does not generally accept directed brokerage arrangements (when a client requires account transactions be executed through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Courage Miller will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Courage Miller. Affected clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

If the client directs Courage Miller to execute securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through Courage Miller. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

B. While Courage Miller is not obligated to do so, and although it may execute account transactions for clients independently, Courage Miller generally combines or "bunches" trade orders to seek best execution, to negotiate more favorable commission rates, and to equitably allocate differences in prices, commissions, or transaction costs among Courage Miller's clients. Under this procedure, transactions are averaged as to price and cost, which are allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Courage Miller will not receive any additional compensation or remuneration as a result of such aggregation.



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

- A. For those clients to whom Courage Miller provides investment supervisory services, account reviews are conducted on an ongoing basis by Courage Miller's Principals and Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise Courage Miller of any changes in their investment objectives or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Courage Miller on an annual basis.
- B. Courage Miller may conduct account reviews on a non-periodic basis upon a triggering event, such as a change in client investment objectives or financial situation, market events, or specific client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian or program sponsor for the client accounts. Courage Miller may also provide a written periodic report summarizing account activity and performance. Courage Miller's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

- A. As referenced in Item 12.A.1 above, Courage Miller receives economic benefits from Schwab and Fidelity including support services and products without cost or at a discount. Courage Miller's clients do not pay more for investment transactions executed or assets maintained at Schwab or Fidelity as a result of this arrangement. There is no corresponding commitment made by Courage Miller to Schwab, Fidelity, or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.
- B. Courage Miller does not compensate any person, other than its representatives, for referrals.

### **Item 15            Custody**

Courage Miller will have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian or program sponsor for the client accounts. Courage Miller may also provide a written periodic report summarizing account activity and performance.

To the extent that Courage Miller provides clients with periodic account statements or reports, Courage Miller urges clients to carefully review those statements and compare them to custodial account statements. The account custodian does not verify the accuracy of Courage Miller's advisory fee calculations.

Courage Miller engages in other practices and services on behalf of its clients that require disclosure at ADV Part 1, Item 9. Some of the practices and services subject the affected accounts to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940. In addition, certain clients have signed asset transfer authorizations which permit the qualified custodian to rely upon instructions from Courage Miller to transfer client funds to "third parties." These arrangements are also reflected at ADV Part 1, Item

9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

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

The client can determine to engage Courage Miller to provide investment advisory services on a discretionary basis. Before Courage Miller assumes discretionary authority over a client's account, the client is required to execute an investment advisory agreement, naming Courage Miller as the client's attorney and agent in fact, granting Courage Miller full authority to buy, sell, or otherwise execute investment transactions involving the assets in the client's name held in the discretionary account.

Clients who engage Courage Miller on a discretionary basis may, at any time, impose restrictions, in writing, on Courage Miller's discretionary authority. (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Courage Miller's cash balance maintenance, etc.).

Clients that determine to engage Courage Miller on a non-discretionary basis concurrently acknowledge that Courage Miller cannot execute any account transactions without obtaining the client's prior consent to the transactions. Therefore, if Courage Miller would like to make a transaction for a client's account (including removing a security that Courage Miller no longer believes is appropriate or adding a security that Courage Miller believes is appropriate), and the client is unavailable, Courage Miller will be unable to execute the account transactions (as it would for its discretionary clients) without first obtaining the client's consent. Affected clients may suffer investment losses or miss potential investment gains as a result.

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

- A. Courage Miller does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Courage Miller to discuss any questions they may have with a particular solicitation.

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

- A. Courage Miller does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Courage Miller is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Courage Miller has not been the subject of a bankruptcy petition.

Courage Miller's Chief Compliance Officer, Ralph Courage is available to address any questions about this Brochure and any conflicts of interest presented.