

# **The Martin Worley Group**

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**March 28, 2024**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of The Martin Worley Group. If you have any questions about the contents of this brochure, please contact us at 801-568-9788 or visit [www.martinworley.com](http://www.martinworley.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 The Martin Worley Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 169006.

The Martin Worley Group is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not constitute an endorsement by the SEC of an advisor's experience nor imply or guarantee a certain level of skill, expertise or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, The Martin Worley Group will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

The last annual updating amendment to this brochure of The Martin Worley Group was on October 20, 2023. Since our previous amendment, there have been no material changes to our advisory business and practices.

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## Item 4 Advisory Business

### Description of Services and Fees

The Martin Worley Group, LLC is a registered investment adviser primarily based in Cottonwood Heights, Utah, with an additional office in Lake Oswego, Oregon. We are organized as a limited liability company under the laws of the State of Utah. Our firm has been providing investment advisory services since 2014. Brian A. Worley, Terra J. Thurgood and Barry T. Watson are the firm's owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services
- Pension Consulting

Registered Investment Advisors are regulated under the Investment Advisers Act of 1940 and are governed by the Securities and Exchange Commission (SEC). The Martin Worley Group is held to the fiduciary standard of care, which requires us to act in our clients' best interests at all times. Our business model is fee-only and fully transparent. We are not compensated through commissions, sales charges, 12b-1 fees, management fees, or revenue sharing.

The following paragraphs describe our services and fees. As used in this brochure, the words "we", "our" and "us" refer to The Martin Worley Group and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. We may also invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as necessitated by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may, at our sole discretion, limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

In some situations, we offer the use of Third-Party Managers or Sub-Advisors ("Outside Managers") for portfolio management services and delegate discretionary investment authority over all or part of a client's account, authorizing them to buy, sell or hold securities or other investments for the account of the client. The Outside Manager shall be responsible for the day-to-day investment management of the account, provided however, that the Advisor shall retain supervision over the activities of such Outside Manager. The Martin Worley Group does not pass any additional fees on to the client for the use of Outside Managers.

The Martin Worley Group uses the Pontera platform made available by Pontera Solutions, Inc. (“Pontera”), a third-party online platform, to assist with management of clients’ “held away” accounts, including 401(k)s, 403(b)s, annuities, and 529 education savings plans, and as an order management system for such accounts where we implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. The Martin Worley Group includes the costs of the Pontera platform in its overall advisory fee for each managed account. Clients do not pay any additional fee to Pontera or to The Martin Worley Group in connection with platform participation. The Martin Worley Group is not affiliated with the Pontera platform in any way and receives no compensation from them for using their platform.

### **Financial Planning Services**

We offer financial planning services which typically involve providing advisory services to clients regarding the management of their current and forecasted future financial resources based upon an analysis of their individual needs. These services can range from broad, comprehensive financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we may deliver a written or electronic plan or individual recommendations to you designed to help you achieve your stated financial goals and objectives. Areas of recommendation and financial planning services may include any or all of the following:

- Retirement and Lifetime Income Management
- Investment Portfolio Management
- Estate and Legacy Planning
- Tax Efficient Strategies
- Multi-Generational Wealth Transfer Support
- Impactful Charitable Giving Guidance
- Coordination with Estate Attorneys and Tax Professionals
- Advanced Planning Services
- Risk Management and Insurance Gap Analysis
- Social Security and Medicare Guidance
- Education Funding Strategies
- Business Continuation, Exit Planning and Retirement Plan Selection

Financial plans and recommendations are based on your financial situation at the time we present the plan to you, and on the information you provide to us. You should promptly notify our firm if your financial situation, goals, objectives, or needs change. Implementation of financial plan recommendations is entirely at the client’s discretion. Should you choose to implement any of our recommendations, we suggest working closely with your attorney, accountant, and/or insurance agent, as needed. Moreover, you are not obligated to implement the financial plan through any of our other investment advisory services and may act on our recommendations by placing securities transactions with any brokerage firm.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These advisory services will generally be similar to one or all of the categories of services defined above (i.e., portfolio management and/or financial planning). The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: Diversification; Asset allocation; Risk tolerance; and Time horizon, or other investment-related topics specific to the particular plan. We may also provide additional types of advisory services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

As disclosed above, we offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the participants of such plans ("Participants"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above and in the service agreement signed with our firm. Our compensation for these services is described below, at Item 5, and also in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the plan sponsor and fiduciary.

Our status is that of a registered investment adviser under the Investment Advisers Act of 1940 with the SEC and individual states where we are registered and/or doing business pursuant to an exemption from registration. Our firm is not subject to any disqualification as set forth in Section 411 of ERISA. To the extent we perform Fiduciary Services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under the Employee Retirement Income Security Act ("ERISA"), or as a discretionary fiduciary of the plan as defined in the service agreement.

#### **Wrap Fee Program(s)**

We are not a portfolio manager to a wrap fee program nor do we sponsor a wrap fee program.

#### **Types of Investments**

Our investment recommendations are not limited to any specific product or service and will primarily include advice on mutual funds and exchange traded funds (ETFs). Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives such as structured notes, exchange-listed securities, certificates of deposit, and municipal securities, among others. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities by providing these restrictions to our firm in writing.

#### **Assets Under Management**

As of December 31, 2023, we manage approximately \$312,531,214 in client assets on a discretionary basis, and approximately \$0 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage. Our advisory fees start at 1.25% and reduce incrementally as set forth in the following tiered fee schedule:

<u>Assets Under Management*</u>	<u>Annual Fee</u>
First \$500,000	1.25%
Next \$500,001 to \$1,000,000	1.00%
Next \$1,000,001 to \$3,000,000	0.75%
Next \$3,000,001 to \$6,000,000	0.60%
Next \$6,000,001 to \$10,000,000	0.40%
Over \$10,000,000	0.25%

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the investment advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee may be negotiable, depending on individual client circumstances. The specific annual fee schedule is identified in the signed investment advisory agreement between the adviser and each client. \*For clients with billable assets under \$500,000, a minimum annual fee equal to a managed asset level of \$500,000 may be assessed.

The Martin Worley Group includes the costs of the Pontera platform in its overall advisory fee for each managed account. Clients do not pay any additional fee to Pontera or to The Martin Worley Group in connection with platform participation. The Martin Worley Group is not affiliated with the Pontera platform in any way and receives no compensation from them for using their platform. As it is impossible to directly debit the fees from directly managed held away accounts, such as 401(k), those fees will be assigned to the client's taxable accounts on a pro-rata basis. If the client does not have a taxable account, those fees will be billed directly to the client.

At our discretion, we may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. We will either send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account(s) through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account(s). Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, including the amount of advisory fees paid directly to our firm. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

We encourage you to review the statement(s) that you receive from the qualified custodian. If you find any inaccurate information when reviewing the statement(s), please call our main office number located on the cover page of this brochure.

An investment advisory agreement may be canceled upon 7-days' written notice, by either party, for any reason. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.



### **Financial Planning and Consulting Services**

We provide financial planning and consulting services on either an hourly or fixed-fee basis. Our hourly fee generally ranges from \$40 to \$300 depending on the scope, complexity, and staff required to complete the project. Our fixed fee for financial planning services is generally \$2,500, but may range up to \$7,500 or more when the client's financial circumstances and complexity of the plan require additional work. Our fees are negotiable depending on the scope, complexity and continuation of the plan, your situation, and your financial objectives. Fees are due upon completion of services rendered. We do not require prepayment of a fee more than six months in advance. You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

In our sole discretion, financial planning fees are waived for clients that have engaged our firm for portfolio management services with at least \$1,000,000 in assets under management.

### **Pension Consulting Services**

The compensation arrangement for these services will be based on a percentage of plan assets under our firm's advisement. Our fee schedule and terms of service for Pension Consulting Services follow the terms set forth under our Portfolio Management Services. Please refer to the service and fee description under the Item 5 Portfolio Management section for further information on our fees, payment arrangements, and termination policy among other items. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the plan sponsor and fiduciary.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. All fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. We do not share in any portion of the fees or expenses charged by mutual funds and /or exchange traded funds.

You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section (Item 12) of this brochure.

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

Brian A. Worley is licensed as an independent insurance agent. A commission-based compensation is earned for selling insurance products. This presents a conflict of interest. We believe it is important for Brian to maintain his insurance license so he may provide clients with service and advice regarding various insurance topics. To mitigate this conflict of interest, we disallow the sale of insurance products whereby he would receive a commission and monitor his insurance activity for such.

## Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees nor participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section (Item 5) above.

## Item 7 Types of Clients

We offer investment advisory services to individuals (other than high net worth individuals), high net worth individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$500,000 to open and maintain an advisory account. For clients with billable assets under \$500,000, a minimum annual fee equal to a managed asset level of \$500,000 may be assessed. At our discretion, we may waive or reduce this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts within a household to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and asset class allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. Our analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. However, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you.

Charting Analysis – involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends. Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis – involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities. Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. Historic performance does not guarantee future success.

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. Risk: In addition to human error, the risk is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. Risk: The lengths of economic cycles may be difficult to predict with accuracy; therefore, the risk is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost – “locking-up” assets that may be better utilized in the short-term in other investments.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term but may have a smaller impact over longer periods of times.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a “margin call.” An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing – a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option. Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

## **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size, we recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method.

### **Risk of Loss**

Investing in both equity and fixed income securities involves risk of loss that you should be prepared to bear. We do not represent nor guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Past performance is in no way an indication of future performance. And we cannot offer any guarantees or promises that your financial goals and objectives will be met.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section (Item 4) in this brochure, we primarily recommend mutual funds and exchange traded funds (ETFs). However, we may recommend other types of investments as appropriate considering each client's needs and tolerance for risk. Each type of security has its own unique set of risks associated with it. It would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**Mutual Funds and ETFs:** Mutual funds and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. 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).

**Structured Products:** Structured Products are typically conventional investment-grade bonds that use derivatives (options) to alter the payoff structure. For example, instead of issuing a bond and paying semi-annual interest, a company may issue a bond and pay interest based on the performance of one or more underlying assets. For this reason, Structured Products behave more like the underlying asset(s) tied to their payoff than they do to a typical investment-grade bond. While Structured Products may be a cost-effective way for investors to hedge investments against downside risk and leverage upside return, they may also involve a high degree of risk. These investments may be illiquid and there

may not be a readily available market for them. Often Structured Products offering leverage will cap returns at some level. Structured Products are sometimes callable, which means that the issuer of a callable note can buy it back before maturity at a pre-defined cost. There are costs for the underwriting of the note and typically commissions that go to the seller of the note. Most Structured Product calculations do not include dividends and when calculating the performance of the underlying asset, only the price movement is used. Additional risks and costs that a client should be prepared to bear, include, but are not limited to: credit risk of the issuer, principal risk, opportunity cost, capped returns, tax treatment, FDIC coverage limitations, fees, and non-traditional debt risks.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Brian A. Worley is licensed as an independent insurance agent and maintains this license so he may provide clients with advice regarding various insurance topics and does not currently sell commissionable insurance products but has the ability to. This presents a conflict of interest. To mitigate this conflict of interest we disallow the sale of insurance products whereby he would receive a commission and monitor his insurance activity for such. Clients are not under any obligation to engage these services or commissionable products when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Jack L Griffin Jr is an accountant. From time to time, he may offer clients advice or products from this activity. The Martin Worley Group always acts in the best interest of the client. Clients are not under any obligation to utilize the accounting services of any person affiliated with our firm.

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

### **Description of Our Code of Ethics**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. We and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions. Our Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

We do not affect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell, for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts may be included in the pro-rata allocation.

As these situations represent conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.

9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

Moreover, our firm follows the CFP® Code of Ethics and Standards of Conduct. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [info@martinworley.com](mailto:info@martinworley.com), or by calling us at 801-568-9788.

## **Item 12 Brokerage Practices**

Our firm participates in the institutional advisor program Schwab Advisor Services, (the “Program”) offered by Charles Schwab and Co., Inc. (“Schwab”). Schwab offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. The Martin Worley Group receives some benefits from Schwab through its participation in the Program.

As disclosed above, our firm participates in Schwab’s institutional advisor program and we may recommend Schwab to clients for custody and brokerage services. There is no direct link between our firm’s participation in the program and the investment advice we give to clients, although we receive economic benefits through our participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our clients; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. Schwab may also have paid for business consulting and professional services received by our firm’s related persons. Some of the products and services made available by Schwab through the program may benefit our firm but may not benefit our firm’s client accounts. These products or services may assist our firm in managing and administering client accounts, including accounts not maintained at Schwab.

Other services made available by Schwab are intended to help The Martin Worley Group manage and further develop its business enterprise. The benefits received by our firm or personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of our firm’s fiduciary duties to clients, we endeavor at all times to put the interests of clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm’s choice of Schwab for custody and brokerage services.

The Martin Worley Group does not participate in traditional soft dollar arrangements.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through a broker-dealer / custodian whom we maintain a relationship with. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

**Block Trades**

We may combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

**Portfolio Management**

Registered advisors of our firm will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly and/or upon your request to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events; and/or, changes in your risk/return objectives.

We typically provide you with additional reports in conjunction with account reviews. Reports we provide to you generally contain relevant account and/or market-related information, such as an inventory of account holdings and account performance. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

**Financial Planning**

We will review your financial plan at your request. A review of your financial plan may be subject to our hourly or fixed fee rates unless otherwise negotiated in the initial financial planning agreement that you sign with our firm.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate or incentivize any individual, firm, related person or client for client referrals.

## **Item 15 Custody**

The Martin Worley Group generally recommends clients use Charles Schwab and Co., Inc. ("Schwab") customer program for custody and brokerage services. The Martin Worley Group has not made any commitment to Schwab 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.

**Portfolio Management Services**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes



our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should review the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive or know how to access a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

### **Standing Letters of Authorization**

Our firm maintains custody for a limited number of our clients as a result of our ability to enact money movement using standing letters of authorization with client signature.

## **Item 16 Investment Discretion**

Clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Before we can buy or sell securities on your behalf, you must sign our investment advisory agreement and the appropriate account trading authorization forms granting discretionary asset management services.

Our discretionary authority includes the ability to determine the timing of a transaction, the security to buy or sell; and/or determine the amount of the security to buy or sell without contacting the client. You may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. Please refer to the *Advisory Business* section (Item 4) in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We do not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts. Furthermore, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time during the past ten years. Therefore, we are not required to include a financial statement with this brochure.

## Item 20 Additional Information

### **Your Privacy**

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

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or as required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an investment advisory agreement with our firm. Thereafter, we will provide a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

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

### **Class Action Lawsuits**

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