

Registered As: McDonald Financial Services, LLC | CRD No. 282899



## Form ADV Part 2A – Disclosure Brochure

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**Effective: March 29, 2024**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of McDonald Financial Services, LLC (“Invista Advisors” or the “Advisor”). If you have questions about the contents of this Disclosure Brochure, please contact us at (334) 387-0094 or by email at [mike.barranco@teaminvista.com](mailto:mike.barranco@teaminvista.com). McDonald Financial Services, LLC is a registered investment advisor with the U.S. Securities and Exchange Commission located in the State of Alabama, doing business as Invista Advisors. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information to assist you in determining whether to retain the Advisor. Additional information about Invista Advisors and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 282899.

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## Item 2 – Material Changes

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There have been no material changes since the last annual amendment filed on March 24, 2023.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 282899. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (334) 387-0094 or by email at [mike.barranco@teaminvista.com](mailto:mike.barranco@teaminvista.com).

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## Item 4 – Advisory Services

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### A. Firm Information

McDonald Financial Services, LLC, doing business as, Invista Advisors was founded with the goal of assisting clients in every aspect of their financial lives. In 2016, the firm became an SEC registered investment advisor to directly offer asset management and financial planning services, while using LPL Financial LLC as the qualified custodian for advisory assets. The firm also offers securities as a “doing business as” name for LPL Financial LLC a member FINRA<sup>1</sup>/SIPC<sup>2</sup> broker/dealer, a separate unaffiliated legal entity.

At Invista Advisors our goal is to be your most trusted advisor and to provide comprehensive wealth management through our professional experience, knowledge and insight of financial markets and global economic trends. Our staff consists of experienced professionals with a "hands on" approach to financial guidance. Not only do clients find our team members knowledgeable, but they also discover that our staff truly cares about making their dreams a reality.

### Management

#### Carl “Brandt” McDonald, Jr. - President

Brandt McDonald began his career in the financial services industry with Morgan Keegan & Company in 1989. He then transitioned his financial advisory practice to Morgan Stanley/Dean Witter. He later became an independent financial advisor and founded the firm Invista Advisors as an independent branch office of LPL Financial, and an SEC registered investment advisor. Brandt McDonald is also the co-owner of Advanced Risk Management which offers risk mitigation for businesses and small business owners utilizing insurance concepts.

Brandt holds a Bachelor of Science in Finance from Auburn University. He is also an active board member of The Bruce Pearl Family Foundation. Brandt also devotes time to the Hudson Family Foundation.

Brandt McDonald is a sought-after speaker and commentator on financial markets and global economics, with frequent media appearances on WSFA 12 News and a local radio show, Happy Hour with Greg Budell,

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<sup>1</sup> **FINRA (Financial Regulatory Authority)** is dedicated to investor protection and market integrity through effective and efficient regulation of the securities industry. FINRA is not part of the government but an independent, not-for-profit organization authorized by Congress to protect America’s investors by making sure the securities industry operates fairly and honestly. <http://www.finra.org>.

<sup>2</sup> **SIPC (Securities Investors Protection Corporation)** was created under the Securities Investor Protection Act as a non-profit membership corporation. SIPC oversees the liquidation of member broker-dealers that close when the broker-dealer is bankrupt or in financial trouble, and customer assets are missing. In a liquidation under the Securities Investor Protection Act, SIPC and the court-appointed Trustee work to return customers’ securities and cash as quickly as possible. Within limits, SIPC expedites the return of missing customer property by protecting each customer up to \$500,000 for securities and cash (including a \$250,000 limit for cash only). <http://sipc.org>.

produced by News Talk 93.1 FM. His expertise is also highlighted on the WSFA show “Time of Your Life,” where Brandt provides important information for Baby Boomers on his segment called “Making Cents.” Brandt was born and raised in Montgomery, Alabama and still resides in the area. Away from the office, he enjoys fishing, golf and traveling in addition to the study of history and global economics.

### **Mike Barranco – Chief Compliance Officer**

Mike serves as the Chief Compliance Officer and is also a results driven strategist skilled in sales, recruiting, customer relations and financial management. He has a proven track record of driving multi-million dollar revenue growth in highly competitive markets. Exceptional mentor and coach; combining business acumen with innate leadership qualities.

Mike is a 1984 graduate of Florida State University with a Bachelor Degree in Accounting. He is a member of AICPA and is a former president of the MCPS School Board.

## **B. Advisory Services Offered**

Invista Advisors offers investment advisory services to individuals and high net worth individuals as well as trusts and pension plans in the State of Alabama and other states (each referred to as a “Client”).

### **Investment Management Services**

Invista Advisors provides customized investment advisory solutions for its Clients. This is achieved through regular personal Client contact and interaction while providing discretionary investment management and related advisory services. Invista Advisors works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy.

Individual Investment Advisor Representatives of Invista Advisors are able to implement different investment styles that allows for contrasting account activity based on the same economic conditions and market dynamics with greater emphasis on one investment philosophy over another.

### **Asset Management**

Invista Advisors provides discretionary (with permission) and non- discretionary fee-based investment advisory services for compensation primarily to individual clients and high-net worth individuals as well as charitable organizations and small businesses. Portfolio management services include, but are not limited to, the following:

- Retirement & Estate Planning
- Managing Money and Lifestyle
- Investments & Insurance
- Real Estate & Business Consulting

Discretionary authority, if granted, means that Invista Advisors makes all decisions to buy, sell or hold securities, cash, or other investments in your managed account without consulting with you before

implementing such transactions. You must provide advance written authorization to grant Invista Advisors and its' investment advisor representatives discretionary authority. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

The individuals associated with Invista Advisors are appropriately licensed and authorized to provide advisory services on behalf of Invista Advisors. Certain individuals associated with Invista Advisors are also registered representatives of LPL Financial. Any and all material conflicts of interest are disclosed herein.

Invista Advisors through its investment advisor representatives provides ongoing investment advice and management on assets in the client's custodial Strategic Wealth Management (SWM) account held at LPL Financial LLC. Strategic Wealth Management is the name of the custodial account offered through LPL Financial LLC to support investment advisory services provided by Invista Advisors. More specific account information and acknowledgements are further detailed in the account opening documents.

### **Strategic Wealth Management**

Strategic Wealth Management (SWM) is the name of a custodial account offered through LPL Financial to support investment advisory services provided by Invista Advisors. Strategic Wealth Management is a comprehensive, open-architecture platform that allows investment advisor representatives to provide advice on the purchase and sale of various types of investments including access to more than 8,000 no-load and load waived mutual funds and more than 350 fund families as well as stocks, bonds, ETFs, UITs, alternative investments, options, fund of hedge funds and managed futures. Fee-based variable annuities are also available.

- The minimum account opening amount is generally \$25,000.

### **Optimum Market Portfolios Program (OMP)**

The Optimum Market Portfolios (OMP) program offers clients the ability to participate in a professionally managed asset allocation program. Invista Advisors will obtain the necessary financial data from each client and then select the proper fund portfolio program. The underlying assets are managed consistent with the portfolio program objectives without regard for clients of Invista Advisors. The advisory services provided by Invista Advisors is to allocate and manage a client's investment within the appropriate portfolio.

- A minimum account value of \$15,000 is required for OMP.

### **Model Wealth Portfolios (MWP)**

Model Wealth Portfolios Program offers clients a professionally managed mutual fund asset allocation program. Invista Advisors investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The underlying mutual funds are managed consistent with the portfolio program objectives without regard for clients of Invista Advisors. The advisory services provided by Invista Advisors is to allocate and manage a client's investment within the appropriate portfolio. In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL Financial LLC or outside strategists.

- A minimum account value of \$100,000 is required for MWP.

### **Manager Access Select Program (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of portfolio managers made available by LPL. The portfolio manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the portfolio manager selection process.

- A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

### **Retirement Plan Rollovers**

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
- Employer retirement plans generally have a more limited investment menu than IRAs.

- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because Investment Advisor Representatives have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each. An employee will typically be investing only in mutual funds, you should understand the cost structure of the share classes, available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA. Clients should understand the various products and services they might take advantage of at an IRA provider and the potential costs of those products and services.

- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, participants could potentially delay their required minimum distribution beyond age 70½.
- A 401(k) may offer more liability protection than a rollover IRA; each state may vary.
- Participants may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If company stock is owned in a plan, participants may be able to liquidate those shares at a lower capital gains tax rate.
- Plans may allow Advisor to be hired as the manager and keep the assets titled in the plan name.



Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

It is important to understand the differences between these types of accounts and to decide whether a rollover is the best option. Prior to proceeding, if you have questions contact your Investment Adviser Representative, or call our main number as listed on the cover page of this brochure.

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

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Advisor also provides educational services to retirement plan participants with assets that could potentially be rolled-over to an IRA advisory account. Education is based on a particular Client's financial circumstances and best interests. Again, Advisor has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a Client's best interest and acting accordingly.

### **Retirement Plan Consulting**

Investment advisor representatives of Invista Advisors may assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives may perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.

- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, <sup>[1]</sup>as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings.

As part of such meetings, IARs may provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, investment advisor representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan may invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or may obtain participant loans, investment advisor representatives do not provide any individualized advice or recommendations to the participants regarding these decisions. Furthermore, investment advisor representatives do not provide individualized investment advice to Plan participants regarding their Plan assets.

Such services provided as an investment advisor are subject to the Investment Advisers Act of 1940 ("Advisers Act"), and the advisor is a fiduciary under the Advisers Act with respect to such services. In addition, if client elects to engage an investment advisor representatives to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of ERISA. Therefore, the investment advisor representatives will be deemed a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the IAR is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not "investment advice" under ERISA and therefore, the IAR will not be a "fiduciary" under ERISA with respect to those other

services. From time to time the IAR may make the Plan or Plan participants aware of and may offer services available from IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the IAR is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR.

At no time will Invista Advisors accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement. Please see Item 12.

### **Financial Planning Services**

Invista Advisors through its investment advisor representatives, may provide personal financial planning tailored to the individual needs of each client for their retirement and/or non-retirement account(s). The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. Such services may be included as part of a comprehensive asset management engagement or provided separately for a separate fee. Fees for such services are negotiable and detailed in the client agreement. The financial plan may include generic recommendations as to general types of investment products or specific securities which may be appropriate for the client to purchase given his/her financial situation and objectives. The client is under no obligation to act upon the investment adviser's recommendation or purchase such securities.

The amount of time required per plan can vary greatly depending on the scope and complexity of an individual engagement. A particular client's financial plan will include the relevant types of planning specific to their needs and objectives such as, but not limited to, the following types of planning:

### **Planning Strategies for Families and Individuals**

- **Retirement** – planning an investment strategy with the objective of providing inflation- adjusted income for life.
- **College / Education** – planning to pay the future college / education expenses of a child or grandchild.
- **Major Purchase** – Evaluation of the pros and cons of home ownership, real property verses renting as well as buying or leasing a car, for example.
- **Divorce** – planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations.

- **Insurance Needs** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent childcare, and spousal arrangements as well as education.
- **Final Expenses** – planning to leave assets to cover final expenses such as funeral, debts and potential business continuity.
- **Estate Planning** – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Cash Flow/ Budget Planning** – planning to manage expenses against current and projected income.
- **Wealth Accumulation** – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.
- **Tax Planning** – planning a tax efficient investment portfolio to maximize deductions and off- setting losses.
- **Investment Planning** – planning an investment strategy consistent with a particular objective, time horizons and risk tolerances.
- **Inheritance Planning** – planning for a tax efficient method to pass wealth to the next generation.
- **Employee and Government Benefits Analysis** – analysis of the cost and premiums as well as the pre and post retirement coverage options.

### **Planning Strategies for Businesses**

- **Business Entity Planning** – review the various forms of business structures in relation to liability and income tax considerations.
- **Qualified Retirement Plans** – evaluate the types of retirement plans established by an employer for the benefit of the company’s employees.
- **Stock Option Planning** – planning to maximize the value of employer issued stock options and optimize what to exercise and what to hold.

- **Key Person Planning** – evaluate the life insurance needs required in the event of the sudden loss of a key executive in order to buy time to find a new person or to implement other strategies to continue the business.
- **Executive Benefits** – planning to attract, reward and retain top executive talent. Such as, designing cost efficient supplemental executive retirement plans or planning regarding the exercise of stock options.
- **Deferred Compensation Plans** – planning for the use of tax deferred funds to be withdrawn and taxed at some point in the future.
- **Business Succession Planning** – planning for the continuation of a business after key executives move on to new opportunities, retire or pass away with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.

### Hourly Consulting Services

Invista Advisors, through its investment advisor representatives, may provide consulting services on an hourly basis. These services may include, as selected in the client agreement. The services consider information collected from the client such as financial status, investment objectives and tax status, among other data. An investment advisor representative may or may not deliver to the client a written analysis or report as part of the services. The investment advisor representatives tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client.

Hourly consulting and financial planning offer similar services, but the general difference is related to the particular area of focus. Financial planning is generally more comprehensive and considers a client's entire financial situation whereas hourly consulting tends to be focused on a particular financial objective or need. Examples of hourly consulting include:

- **Acquisition Analysis** – review potential acquisition targets financial statements
- **Financial Statement Analysis** – Review financial statements for operational efficiencies
- **Budgeting** – Help establish budgeted amounts for operating categories
- **Goal Setting** – Help establish operating goals for companies
- **Strategic Planning** – Consult on overall company strategy
- **HR Consulting** – Assist in analyzing potential hires
- **Dissolution** – Assist in preparing company for dissolution
- **Performance Analysis** – Compare and analyze operating results vs. budget
- **Industry Research** – Gather industry data to assist in planning
- **Operations Analysis** – Compare specific operations to industry norms
- **Asset Valuations** – Gather third party corroboration for asset values
- **Business Opportunity Analysis** – Analyze potential business opportunities for feasibility

## Conflicts of Interest

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. Investment adviser representatives should fully disclose all material facts concerning any conflict that does arise with these clients and should avoid even the appearance of a conflict of interest.

- A conflict exists between the interests of the investment adviser and the interests of the client.
- The client is under no obligation to act upon the investment adviser's recommendation.
- If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.
- The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions received, rather than on a particular client's need.
- No client is under any obligation to purchase any commission products from LPL Financial.
- The Firm and IARs must abide by honest and ethical business practices including, but not be limited to:
- Not inducing trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- Making recommendations with reasonable grounds to believe are appropriate based on the information furnished by the client;
- Placing discretionary orders only after obtaining client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state.

The firm's Chief Compliance Officer, Mike Barranco, is available to address any questions that a client or prospective client may have regarding conflicts of interest.

## Other Considerations

Advisory agreements may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder; provided that Advisor may assign an agreement upon consent of the client. An advisory agreement may be terminated by any party effective upon receipt of written notice to the other parties. The client will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date.

Clients need to understand that in the event of death or incapacity during the term of an advisory agreement, the authority of Invista Advisors under an advisory agreement shall remain in full force and effect until such time as Invista Advisors is notified otherwise in writing by the authorized representative of a client or a client's estate. Termination of an advisory agreement will not affect the liabilities or obligations of the parties from transactions initiated prior to termination.

Economic commentaries and research provided by LPL Financial LLC are provided at no cost and not contingent upon the amount of business processed through LP Financial LLC. In addition, the investment advisor representative may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives.

## C. Client Account Management

Prior to engaging Invista Advisors to provide investment advisory services, each Client is required to enter into an investment advisory agreement that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

## D. Wrap Fee Programs

A wrap fee program is an advisory program under which a single fee, not based directly upon transactions in a client's account, is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisors) and the execution of client transactions. Invista Advisors does not currently sponsor or act as the portfolio manager of a wrap fee program.

## E. Assets Under Management

Asset under management are updated annually with 90 days of the December 31<sup>st</sup> fiscal year-end. Invista Advisors manages approximately the following assets:

<b>Assets Under Management (12/31/2023)</b>	<b>Assets</b>
Discretionary Assets	\$235,953,292
Non-Discretionary Assets	\$226,402,747
<b>Total</b>	<b>\$462,356,039</b>

Clients may request more current information at any time by contacting the Advisor.



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## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### A. Fees for Advisory Services

#### Asset Management

The specific manner in which fees are charged by the firm is established in the client's written agreement. The custodian calculates and deducts the advisory fee quarterly in advance based upon a percentage (%) of the market value as of the final day of the quarter prior to the fee calculation.

Advisory fees are negotiable up to 2% based on a facts and circumstances but generally follow the below fee schedule.

Assets Under Management (\$)	Annual Rate (%)
0 to 500,000	Up to 2.00%
500,001 to 1,000,000	Up to 1.75%
1,000,001 to 5,000,000	Up to 1.50%
More than 5,000,000	Up to 1.00%

More specifically, fees are based on the scope and complexity of the services to be provided, the amount of assets to be managed and, the overall relationship as well as the amount of time and expertise required to provide services. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities are likely to have a higher fee than less complicated accounts.

If the advisory agreement is terminated before the end of the quarterly period, clients are entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date, which will be processed automatically by the custodian.

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, clients may terminate the agreement without penalty for a full refund of Invista Advisors's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

#### Mutual Fund Share Class Disclosure and Fiduciary Duty (12b-1 Fees)

Section 206 of the Investment Advisers Act of 1940 ("Advisers Act") imposes a fiduciary duty to act in a client's best interests and specifically prohibits investment advisers, directly or indirectly, from engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.



However, the fiduciary duty to which advisers are subject is not specifically defined in the Advisers Act or the Commission rules but reflects a Congressional recognition “of the delicate fiduciary nature of an investment advisory relationship” as well as a Congressional intent to eliminate, or at least expose, all conflicts of interest which might incline an investment adviser, consciously or unconsciously, to render advice which was not disinterested.

When selecting a mutual fund for a client’s advisory account, the investment advisor representative has a fiduciary duty to select the share class that helps manage the overall fee structure of the account. The overall fee structure includes such fees as:

- Asset Management Fees
- Expense ratio, which includes 12b-1 fees, generally .25% for A shares.
- Trade Ticket Charges
- A Shares include 12b-1 fees but there are no ticket charges.
- I Shares do not include 12b-1 fees there are ticket charges.

The more beneficial share class depends on an analysis of ticket charges and expected 12b-1 fees. Investing in a 12b-1 fee paying share class can be less expensive for a client than investing in the I Share class with a lower expense ratio if the ticket charges on the lower-cost share class exceed the amount of ongoing 12b-1 fees.

- Mutual funds normally offer multiple share classes, including lower-cost share classes that do not charge 12b-1 fees and are therefore less expensive.
- Investment adviser representative invest client funds in 12b-1 fee paying share classes even when a lower-cost share class is available as appropriate to account for the overall fee structure of the account.
- A Share mutual funds do not always have an otherwise equivalent I Share alternative.
- Not all investors will qualify for I Shares, which can have a higher minimum investment amount.

Depending on the anticipated trading volume, and the asset management fee that that is determined based on account size, complexity and time requirements, investment advisor representatives have a fiduciary duty to determine the mutual fund share class that is in the best interest of each client as part of the overall fee analysis.

### **Financial Planning**

Financial Planning fees are generally fixed based on an estimated number of hours but in some cases financial planning may be offered on an actual hourly basis.

Financial planning fees are payable by check to McDonald Financial Services, LLC based on a fixed fee range from \$500 to \$5,000 depending on the complexities involved. Clients will be able to negotiate and accept the fee amount prior to an obligation to pay for the services.

### **Hourly Consulting Fees**

The hourly consulting fee will be based on the type of services to be provided, experience and expertise, and the sophistication and bargaining power of the client. Individual complexities will determine the fixed fee charged based on the number of hours estimated to complete the plan but not billed based on actual hours. A higher or lower fee may apply under extenuating circumstances and requires approval by the Chief Compliance Officer. Clients are not “fit” into a particular service level, but a plan is designed to be specific to each individual client and their unique circumstances. The following criteria will be considered as appropriate when determining the number of hours expected to create a client specific financial plan.

- Total Income
- Net Worth
- Marital Status
- Tax Bracket
- Assets under Management
- Children
- Education Costs
- Timeframe
- Number of Accounts
- Risk Tolerance
- Objectives
- Account Types and Holdings
- Investment Experience
- Budget
- Expected number of Meetings
- Phone Conferences
- Amount of material required to review
- Business Consulting

Payment for services is generally due upon completion of each hourly session. In the event that a client terminates the services they will be entitled to a refund of any unearned fees by subtracting the earned fees from any amount pre-paid, if applicable.

Payment for hourly consulting is paid directly to the RIA.

### **Other Considerations**

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of their clients. Investment adviser representatives must fully disclose all material facts concerning any conflict that arise with their clients, and should avoid even the appearance of a conflict of interest. The Firm and IARs must abide by honest and ethical business practices including, but not limited to:

- Not inducing trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;

- Making recommendations with reasonable grounds to believe that they are appropriate based on the information furnished by the client;
- Placing discretionary orders only after obtaining client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state;

Clients may purchase investment products recommended by investment advisory representatives through other, non-affiliated broker/dealers or insurance agents.

## **B. Fee Billing**

### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian.

### Financial Planning Services

Financial planning fees and payment schedules are negotiated but generally require 50% up front and the balance upon completion. Invista Advisors does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

### Hourly Consulting

The negotiated hourly fee for these services will generally range from \$200 to \$400 but may exceed \$400 as circumstances warrant due to client specific complexities or the degree of expertise required. Our fixed fee is based on the number of expected hours multiplied by \$200 to \$400.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Invista Advisors in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The fees charged by Invista Advisors are separate and distinct from these custodial and execution fees.

In addition, all fees paid to Invista Advisors for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage, and

account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Invista Advisors, but would not receive the services provided by Invista Advisors which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Invista Advisors to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management Services

Invista Advisors is compensated for its services in advance of the quarter in which the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior approval.

##### Financial Planning Services

In the event that a client terminates the services they will be entitled to a refund of any unearned fees by subtracting the earned fees from the amount paid up front.

#### **E. Compensation for Sales of Securities**

##### **Brokerage Commissions**

Commissions are not charged for asset management services; however, a client of Invista Advisors can engage certain investment adviser representatives in their capacity as a registered representative of LPL Financial an SEC registered and FINRA/SIPC member broker-dealer and separate unaffiliated legal entity, to implement investment recommendations on a commission basis. LPL Financial will charge brokerage commissions to effect securities transactions in a brokerage account. Securities transactions in an advisory account do not generate commission-based compensation. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers.

The Firm and the IAR will:

- Allocate securities in a manner that is fair and equitable to all clients
- Not effect agency-cross transactions for client accounts
- Not act in a principal capacity.

The firm generally does not receive more than 60% of its revenue from advisory clients as a result of brokerage commissions or other compensation for the sale of investment products the firm recommends to its clients. When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product in order to address this conflict of interest.

### **Insurance Commissions**

Investment advisor representatives may also be licensed insurance agents. In the capacity of an insurance agent, they may recommend the purchase of certain insurance-related products on a commission basis separate from providing advisory services.

Please see "Item 10 – Other Financial Industry Activities and Affiliations".

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

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None of the advisors at Invista Advisors accepts performance-based fees – that is, fees based on a share of capital gains or capital appreciation of assets (such as a client that is a hedge fund or other pooled investment vehicle). The fees charged by Invista Advisors are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

We also do not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or fixed fee or an asset-based fee.

Invista Advisors does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

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### **Item 7 – Types of Clients**

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Invista Advisors generally provides advice for individuals and high net worth individuals as well as trusts and pension plans. However, the advisory services offered by Invista Advisors are also available to banks and thrift institutions, estates, charitable organizations as well as state and municipal government entities and corporations as such opportunities may arise.

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

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#### **A. Methods of Analysis**

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable

restrictions on the types of investments to be held in the portfolio. Analysis and strategies are generally based on:

- Publicly Available Data
- Risk Tolerance
- A Client's Net Worth
- Investment Goals

Commentary and Information Obtained from Analysts at Preferred Mutual Fund or Variable Annuity Firms The firm may use one or more of the following methods: fundamental analysis and technical analysis, cyclical analysis, and charting analysis in order to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short-term trading strategy based on the particular objectives and risk tolerance of each individual client.

**Fundamental Analysis** – involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical Analysis** – involves the analysis of past market data; primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not consider new patterns that emerge over time.

**Cyclical Analysis** – involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: the markets do not always repeat cyclical patterns; and, if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Charting Analysis** - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Invista Advisors will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no

guarantee that a Client will meet their investment goals. While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when



interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.

- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Pandemic Risk** – Large-scale outbreaks of infectious disease that can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. An ETF typically includes embedded expenses and related fees that reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Program Account's performance or an index benchmark comparison. Expenses of an ETF generally include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses can change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses can vary.



- **Mutual Fund Risks** – A risk exists that the investment strategies employed by the mutual funds will not meet the stated investment objectives the fund is seeking to obtain. Mutual funds may invest in equities, fixed income, derivatives, and other asset classes; the risks associated with such investments are described in the fund’s prospectus. The performance of a mutual fund may not exactly match the performance of the index or market benchmark that the fund is designed to track due to the mutual fund incurring expenses and transaction costs not incurred by any applicable index or market benchmark. Expenses can change from time to time at the sole discretion of the issuer and expenses can vary.

There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

#### **Types of Investments (Examples, not limitations)**

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
- **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.
- **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed, and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes, and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Unit Investment Trust (UIT)** – An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable “units” to investors for a specific period of time. It is designed to

provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT's underlying securities.

- **Equity** – investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – An ETF is a portfolio of securities invested to track a market index similar to an index mutual fund, but the shares are traded on an exchange like an equity. An ETF share price fluctuates intraday depending on market conditions instead of having a net asset value (NAV) that is calculated once at the end of the day. The shares may trade at a premium or discount; and as a result, investors pay more or less when purchasing shares and receive more or less than when selling shares. The supply of ETF shares is regulated through a mechanism known as creation and redemption that involves large specialized investors, known as authorized participants (APs). Authorized participants are large financial institutions with a high degree of buying power, such as market makers, banks or investment companies that provide market liquidity. When there is a shortage of shares in the market, the authorized participant creates more (creation). Conversely, the authorized participant will reduce shares in circulation (redemption) when supply falls short of demand. Multiple authorized participants help improve the liquidity of a particular ETF and stabilize the share price. To the extent that authorized participants cannot or are otherwise unwilling to engage in creation and redemption transactions, shares of an ETF tend to trade at a significant discount or premium and may face trading halts and delisting from the exchange. The performance of ETFs is subject to market risk, including the complete loss of principal. ETFs also have a trading risk based on cost inefficiency if the ETFs are actively traded and a liquidity risk if the ETFs has a large price spread and low trading volume. In addition, investors buying or selling shares in the secondary market pay brokerage commissions, which may be a significant proportional cost not incurred by mutual funds.
- **Exchange-Traded Notes (ETNs)** – An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency, and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may

or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

- **Fixed Income** – investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Options** – Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Options Trading/Writing** – is a securities transaction that involves buying or selling (writing) an option. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.
- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the

issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **Hedge Funds and Managed Futures** – Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and <sup>[1]</sup><sub>SEP</sub> performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Annuities** – are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Non-U.S. Securities** – present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

- **Margin Accounts** – Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client’s creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.
- **Long-Term Purchases** – are 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.
- **Short-Term Purchases** – are 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. Other investment types may be included as appropriate for a particular client and their respective trading objectives.

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## **Item 9 – Disciplinary Information**

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Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would-be material to your evaluation of an advisory firm or the integrity of a firm’s management. There are no material legal, regulatory, or disciplinary events involving Invista Advisors or any of its management persons.

You may view the background of Invista Advisors on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

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Investment adviser representatives of Invista Advisors receive compensation for the sale of securities or other investment products in their capacity as a registered representative of LPL Financial.

Representatives of our firm are also insurance agents/brokers in order to offer insurance products and receive customary fees as a result of insurance sales. Insurance products will only be offered in states where the representative offering insurance is properly licensed.

### **Broker-Dealer Affiliation**

Certain Advisory Persons are also registered representatives of LPL Financial (“LPL”). LPL is a registered broker-dealer (CRD No. 6413), member FINRA, SIPC. In one’s separate capacity as a registered representative, the Advisory Person will typically receive commissions for the implementation of recommendations for commissionable transactions.

Clients are not obligated to implement any recommendation. Neither Invista Advisors nor the Advisory Person will earn ongoing investment advisory fees in connection with any services implemented the Advisory Person's separate capacity as a registered representative.

### **Insurance Agency Affiliations**

Certain Advisory Persons are also licensed insurance professionals. The Advisory Person receives customary commissions and other related revenues from the various insurance companies whose products are sold. The Advisory Person is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations.

Neither Invista Advisors nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

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### **A. Code of Ethics**

Invista Advisors maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty, and trust. The code of ethics includes guidelines regarding personal securities transactions of its employees and investment advisor representatives.

Neither Invista Advisors nor a related person recommends to clients, or buys or sells for client accounts, securities in which they or a related person has a material financial interest.

### **B. Personal Trading with Material Interest**

The code of ethics permits employees and investment advisor representatives or related persons to invest for their own personal accounts in the same or different securities that an investment advisor representative may purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or investment advisor representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. Invista Advisors addresses this conflict of interest by requiring in its code of ethics that employees and investment advisor representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

Invista Advisors allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Invista Advisors does not act as principal in any



transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. Invista Advisors does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting.

### **D. Personal Trading at Same Time as Client**

While Invista Advisors allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will Invista Advisors or any Supervised Person transact in any security to the detriment of any Client.

This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request. All Investment Advisor Representatives of Invista Advisors are required to sign an acknowledgment of their understanding and acceptance of these terms in the Code of Ethics.

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## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Invista Advisors receives support services and/or products from LPL Financial without cost, at a discount, and/or at a negotiated rate. These support services are provided to Invista Advisors based on the overall relationship between Invista Advisors and LPL Financial. It is not the result of soft dollar arrangements or contingent upon the execution of client transactions. The support services may include the following:

- investment-related research;
- pricing information and market data;
- software and other technology that provide access to client account data;
- compliance and/or practice management-related publications;
- consulting services;
- attendance at conferences, meetings, and other educational and/or social events;
- marketing support;
- computer hardware and/or software; and,
- other products and services used in furtherance of investment advisory.

As a result of receiving the services Invista Advisors may have an incentive to continue to use or expand the use of LPL Financial services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution. While the services will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables the firm to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers.

Our recommendation of LPL Financial is based on best execution and the level of competitive, professional services LPL Financial provides. Our firm does not receive client brokerage commissions (or markups or markdowns) to obtain research or other products or services. Neither does our firm receive brokerage commissions for client referrals. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not always obtain the lowest possible commission rates for specific client account transactions.

Each client with assets held at LPL Financial will be required to establish an account if not already done. Please note that not all investment advisers have this requirement.

### **Transition Assistance**

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.



The amount of the Transition Assistance payments is often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at [his/her] prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at [his/her] prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Investment advisor representatives of Invista Advisors, in their capacity as registered representatives of LPL Financial, have received such transition assistance in the form of forgivable and non-forgivable loans. The receipt of Transition Assistance creates a conflict of interest because it creates a financial incentive to recommend that clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial. This conflict of interest has been mitigated based on an evaluation of the overall services provided by LPL and the determination that they are in the client's best interests.

**1. *Soft Dollars*** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Invista Advisors does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14.

**2. *Brokerage Referrals*** – Invista Advisors does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

## **B. Aggregating and Allocating Trades**

Invista Advisors may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Invista Advisors may determine not to aggregate transactions, for example, based on the size of the trades, number of client accounts, the timing of trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Invista Advisors or its related persons do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Clients may direct their brokerage transactions at a firm other than LPL Financial. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, a client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

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**Item 13 – Review of Accounts**

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Account reviews are conducted on an ongoing basis by Mike Barranco, the Chief Compliance Officer. Clients are advised that it remains their responsibility to advise Invista Advisors of any changes in their investment objectives and/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 their investment advisor representative on an annual basis.

Client review periods vary between quarterly to annually depending on market conditions, the client's funding needs and changes in investment objectives. Mike Barranco, the Chief Compliance Officer, may also conduct account reviews based on the occurrence of a triggering event, such as a change in a client's investment objectives and/or financial situation, market corrections and by request. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for accounts.

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

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Invista Advisors may receive an economic benefit from LPL Financial LLC such as, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist investment advisor representative in providing various services to clients.

Invista Advisors and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse Invista Advisors for the costs associated with, education or training events that may be attended by Invista Advisors employees and investment advisor representatives and for Invista Advisors sponsored conferences and events. Such additional compensation represents a conflict of interest however investment advisor representatives of Invista Advisors have a fiduciary duty to act in the client's best interest.

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**Item 15 – Custody**

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Invista Advisors does not have actual or constructive custody of client funds. LPL Financial LLC will serve as the qualified custodian of client assets on behalf of the Invista Advisors.

LPL Financial LLC as the qualified custodian is responsible for directly calculating and deducting advisory fees based on authorization provided by the client under separate agreement not the advisor. Invista Advisors does not have the direct ability to withdraw management fees. LPL Financial LLC also sends statements at least quarterly to clients showing all disbursements in account including the amount of the advisory fees paid to

advisor, the value of client assets upon which advisor's fee was based, and the specific manner in which advisor's fee was calculated. Invista Advisors urges you to carefully review the statements provided by LPL Financial LLC as the qualified custodian.

Clients provide authorization to LPL Financial permitting advisory fees to be deducted by a separate written agreement. LPL Financial calculates the advisory fees and deducts them from client's account every quarter. Invista Advisors does not have the ability to directly deduct fees or increase the fee amount agreed upon between a client and LPL Financial.

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

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The client can engage Invista Advisors to provide investment advisory services on a discretionary basis. Prior to assuming discretionary authority over a client's account, the client shall be required to grant permission by executing an Advisory Agreement, naming Invista Advisors as the client's attorney and agent in fact, granting full authority to buy and/or sell the type and amount of securities on behalf of a client.

Invista Advisors does not have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account or the commission rates to be paid to a broker or dealer for a client's securities transaction. Clients who engage Invista Advisors on a discretionary basis may, at any time, impose restrictions, in writing, (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 the use of margin, etc.). Clients may also elect to have a non-discretionary account where, if accepted, Invista Advisors will secure the client's permission prior to effecting any securities transactions in the client's account.

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

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Invista Advisors does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting. However, money managers of the funds selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a money manager votes 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.

Therefore (except for proxies that may be voted by a money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets. Clients may contact Invista Advisors at (334) 387-0094 to discuss any questions they may have with a particular solicitation.

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**Item 18 – Financial Information**

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Invista Advisors may or may not have discretion over client funds as indicated in the advisory agreement. Invista Advisors does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance or otherwise have actual or constructive custody of client funds.

There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has Invista Advisors been the subject of a bankruptcy petition.

## Privacy Policy

### Our Commitment to You

Invista Advisors is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Invista Advisors (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. Invista Advisors does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address, and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage, and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural, and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients.</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes.</b> Invista Advisors does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Invista Advisors or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users.</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients.</b> Invista Advisors does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### **Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### **Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (334) 387-0094 or via email at [mike.barranco@teaminvista.com](mailto:mike.barranco@teaminvista.com).