

Item 1: Cover Page

Bannerman Wealth Management Group LLC

Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Bannerman Wealth Management Group LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Bannerman Wealth Management Group LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Bannerman Wealth Management Group LLC is also available on the SEC's website at www.adviserinfo.sec.gov and by searching for CRD# 284677.

Item 2: Material Changes

In this Item, Bannerman Wealth Management Group LLC is required to identify and discuss material changes since filing its last annual amendment on March 14, 2023. Bannerman Wealth has amended Items 4, 5, and 7 regarding its fees.

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Item 4: Advisory Business

- A. Bannerman Wealth Management Group LLC (the “Adviser,” “we,” “us,” or “our”) is an investment adviser founded in 2009, registered with the U.S. Securities and Exchange Commission (“SEC”), and solely owned by the Joshua K. Bannerman Revocable Trust. Joshua K Bannerman is the sole Trustee of the Joshua K. Bannerman Revocable Trust.
- B. Adviser offers the following types of advisory services:
- i. Discretionary Investment Management. Adviser provides ongoing discretionary investment management services to its clients based upon each client’s current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). This information will then be used to make investment decisions that reflect clients’ individual needs and objectives on an initial and ongoing basis. Adviser’s investment decisions will allocate portions of clients’ account(s) to various asset classes classified according to historical and projected risks and rates of return. Adviser will retain the discretion to buy, sell, or otherwise transact in securities and other investments in a client’s accounts without first receiving the client’s specific approval for each transaction. Such discretionary authority is granted by a client in his or her investment management agreement with Adviser. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.

Clients who invest less than \$500,000 with us are generally directed to our automated investment program (the “WealthBuilder Program”), which usually differs in services and scope to the investment management services we provide to our other clients with a larger amount of assets under management.

Through the WealthBuilder Program, clients will invest in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds (“Funds”) and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client’s portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“CS&Co.”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisers and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, “Schwab”). We, and not Schwab, are the client’s investment adviser and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client’s investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”).

Based on information the client provides to us, we will recommend a portfolio via the System. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client’s portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the WealthBuilder Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program as described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

- ii. Comprehensive Financial Planning. Adviser provides comprehensive financial planning services on a standalone basis. This service involves working one-on-one with a planner over an extended period of time. By paying a monthly fee, clients get continuous access to a planner who will work with them to design their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date. At the start of the engagement, a client will be taken through establishing their goals and values around money. Clients will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients receiving this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow up meeting is required, we will meet at the client's convenience. The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed-upon action steps have been carried out. On an annual basis there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

We provide financial planning services on topics such as retirement planning, risk management, college savings, cash flow, debt management, work benefits, and estate incapacity planning. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. In general, the financial plan will address any or all of the following areas of concern. The client and Adviser will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first

based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- College Savings: Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- Employee Benefits Optimization: We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- Estate Planning: This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.
- Financial Goals: We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- Investment Analysis: This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- Retirement Planning: Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

When rendering financial planning services, a conflict exists between Adviser’s interests and the interests of its clients; clients are under no obligation to act upon Adviser’s financial planning recommendations. If a client elects to act on any of the recommendations made by Adviser, the client is under no obligation to effect the transaction through Adviser or any of its personnel.

- iii. **Pension Consulting Services.** To the extent Adviser is retained by a pension or profit sharing plan (a “Plan”), Adviser shall review the Plan’s investment objectives, risk tolerance, and goals, and shall work in partnership with applicable third-parties (such as the Plan’s recordkeeper, third-party administrator, and/or discretionary investment manager) to establish an appropriate investment policy statement and deploy applicable investment options into the Plan’s account. Adviser shall periodically review the investment options available to the Plan and, if applicable, will make recommendations to assist the Plan with respect to the selection of the Plan’s qualified default investment alternative (“QDIA”). Adviser will provide reports, information and recommendations, on a reasonably requested basis, to assist the Plan in monitoring the selected investments. If elected by the Plan, Adviser may also provide various services related to the Plan’s governance, the education of Plan participants, and the review of other service providers to the Plan. In connection with Plans subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) and applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”) Adviser acknowledges that it is a fiduciary under ERISA and the Code, shall render prudent investment advice that is in Plan’s best interest, shall avoid making misleading statements, and shall receive no more than reasonable compensation.

C. Adviser does not participate in any wrap fee programs.

D. When we provide 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 (“ERISA”) and/or the Internal Revenue Code (the “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:

- i. Meet a professional standard of care when making investment recommendations (give prudent advice);
 - ii. Never put our financial interests ahead of yours when making recommendations (give loyal advice);
 - iii. Avoid misleading statements about conflicts of interest, fees, and investments;
 - iv. Follow policies and procedures designed to ensure that we give advice that is in your best interest;
 - v. Charge no more than is reasonable for our services; and
 - vi. Give you basic information about conflicts of interest.
- E. IRA Rollover Considerations. As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. 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 our agreement. This practice presents a conflict of interest because persons providing investment advice on our behalf 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 us. 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:
- i. Leaving the funds in your employer's (former employer's) plan.
 - ii. Moving the funds to a new employer's retirement plan.
 - iii. Cashing out and taking a taxable distribution from the plan.
 - iv. Rolling the funds into an IRA rollover account.

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:

- 1) 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.
 - a) Employer retirement plans generally have a more limited investment menu than IRAs.
 - b) Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- 2) Your current plan may have lower fees than our fees.
 - a) If you are interested in 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.
 - b) You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
- 3) Our strategy may have higher risk than the option(s) provided to you in your plan.
- 4) Your current plan may also offer financial advice.

- 5) If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
- 6) Your 401k may offer more liability protection than a rollover IRA; each state may vary. 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.
- 7) You may be able to take out a loan on your 401k, but not from an IRA.
- 8) 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.
- 9) If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
- 10) Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. 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.

F. Adviser manages the following amount of discretionary and non-discretionary client assets calculated as of December 31, 2023:

i.	Discretionary:	\$110,829,105
ii.	Non-Discretionary:	\$0
iii.	Total:	\$110,829,105

Item 5: Fees and Compensation

- A. Clients who receive investment management services from us will generally incur the following fee charged by us: an asset-based negotiated flat fee ranging from 0.5% - 1.5% annually, set at our discretion depending on numerous factors, including account sizes, number of accounts, complexity of accounts, number of custodians, number of annual withdrawals from accounts, tax treatment of accounts and other factors as determined by Adviser in its sole discretion.

Assets held in retirement plans subject to ERISA are charged an asset-based negotiated flat fee ranging up to 0.5% annually.

We generally impose a minimum quarterly account fee of \$600 for investment management services, though it may be waived at our discretion.

Asset-based fees are paid in advance on a quarterly basis. Fees will be directly debited from client accounts; however, in limited arrangements we may agree to accept payment upon presentation of an invoice. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period. As fees are paid in advance, Adviser will rebate the amount of any unearned fees within 30 days of termination. Adviser will process any necessary refund either to (i) the client's investment account from where it was originally paid, if the account is still open, or (ii) via check made payable to the account owner, sent via USPS.

- B. For ongoing, comprehensive financial planning services, clients will generally pay a negotiated fixed fee on a monthly basis, depending on the complexity of the client's financial situation and the needs of the client. Fees range between \$4,500 - \$10,000 annually and will be mutually agreed upon before the start of the engagement. Our services and ensuing fees are continuous and ongoing, remaining in force until either the client or Adviser terminates the relationship. Adviser will not bill an amount above \$1,200 more than 6 months in advance.

We generally impose a minimum monthly account fee of \$375 for financial planning services, though it may be waived at our discretion.

- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction-related practices. Clients will also typically incur additional fees and expenses imposed by independent and unaffiliated third-parties, which can include qualified custodian fees, mutual fund or exchange traded fund fees and expenses, mark-ups and mark-downs, spreads paid to market makers, wire transfer fees, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, margin fees, charges or interest, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions. These additional charges are separate and apart from the fees charged by Adviser.

As described in Item 4, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the WealthBuilder Program.

- D. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities.

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

Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client). Neither Adviser nor any of its supervised persons engage in side-by-side management.

Item 7: Types of Clients

Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, charitable organizations, and pension and profit sharing plans. We do not have a minimum account size, but we generally impose minimum account fees to retain or maintain our advisory services that amount to a monthly fee of \$375 for financial planning services and a quarterly fee of \$600 for investment management services.

Clients eligible to enroll in the WealthBuilder Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to ERISA, are not eligible for the WealthBuilder Program. The minimum investment required to open an account in the WealthBuilder Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

- A. The investment strategies used by Adviser when formulating investment advice or managing assets include Modern Portfolio Theory (“MPT”), the Efficient Market Hypothesis (“EMH”) and a “buy and hold” approach to asset management. Adviser believes that no one can time the market and therefore should not attempt to do so. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.

Adviser adheres to the following investment principles:

- The **Dominant Determinant** of long-term, real-life investment returns is the behavior of the investor himself.
- **Markets Work:** Markets throughout the world have a history of rewarding investors for the capital they supply. Companies compete for investment capital, and millions of investors compete to find the most attractive returns. Markets quickly incorporate information from this competition into security prices.
- **Structure Determines Performance:** Decades of financial research have identified dimensions of higher expected returns in the global capital markets. Portfolios can be structured around these dimensions, which are sensible, backed by data, and cost-effective to pursue in diversified portfolios.
- **Diversification Is Essential:** Diversification is an essential tool available to investors. It enables them to capture broad market forces while reducing the uncompensated risk associated with individual securities and increasing flexibility in trading.
- **Invest, Do Not Speculate:** Traditional investment approaches strive to beat the market by taking advantage of perceived pricing “mistakes” and attempting to predict the future. Too often, these approaches prove costly and futile. Predictions go awry and managers may hold the wrong securities at the wrong time, missing the strong returns that markets can provide. Meanwhile, capital based economies thrive not because markets fail but because they succeed.
- **Focus On Your Plan:** An investment plan based on the science of investing frees you to focus on what matters. Let markets work for you by taking advantage of sensible, well-diversified, low-cost portfolios backed by decades of research and practical experience. As your financial advisor we can help create an investment plan for you.

Adviser primarily uses Dimensional Fund Advisors’ (“DFA”) funds as the core of all offered model portfolios. Because no two investors are alike, Adviser offers clients a range of Model Portfolios from which Adviser recommends the model designed to offer an optimized asset allocation based on varying levels of risk.

Modern Portfolio Theory says that through diversification, the process of spreading your money across numerous asset classes and investments, you may be able to reduce risk (volatility). Over long time frames, research shows that the potential for higher returns comes from riskier assets, which also entail additional short-term risk (volatility). If you desire the potential for higher long-term returns, then it is likely a recommendation will be made to allocate a higher percentage of your portfolio toward riskier assets.

Efficient Market Hypothesis states that the financial markets do not allow investors to earn above-average returns without accepting above-average risks. Over long periods of time, investment prices will accurately reflect the earnings growth of their underlying assets.

Following MPT and EMH does not protect an account, investment, or clients from investment losses, including the loss of the entire amount invested. Future security returns are unknown. Accounts may go down in value, and emotional decisions that are not in line with a client's long-term investment strategy may result in the client losing significant amounts of money. Similarly, even decisions that are in line with a client's long-term investment strategy may lead to the same result. Investing in securities involves risk of loss that clients should be prepared to bear.

We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds. Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market.

- B. All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below:
- i. Investing for the long term means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to "time" the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
 - ii. Inflation risk is the risk that the value of a client's portfolio will not appreciate at least in an amount equal to inflation over time. General micro- and macro-economic conditions may also affect the value of the securities held in a client's portfolio, and general economic downturns can trigger corresponding losses across various asset classes and security types. Market cycles may cause overall volatility and fluctuations in a portfolio's value, and may increase the likelihood that securities are purchased when values are comparatively high and/or that securities are sold when values are comparatively low. Geopolitical shifts may result in market uncertainty, lowered expected returns, and general volatility in both domestic and international securities. Regulatory changes may have a negative impact on capital formation and increase the costs of doing business, and therefore result in decreased corporate profits and corresponding market values of securities.
 - iii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such

clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in exchange traded funds ("ETFs") bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

- iv. Investing in common stocks means that a client will be subject to the risks of the overall market as well as risks associated with the particular company or companies whose stock is owned. These risks can include, for example, changes in economic conditions, growth rates, profits, interest rates and the market's perception of these securities. Common stocks tend to be more volatile and more risky than certain other forms of investments, especially as compared to fixed income products like bonds.
- v. Investing in bonds means that a client will be subject to the market prices of such debt securities, which typically fluctuate depending on interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and rise when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk. Bonds are also subject to inflation risk, reinvestment risk, redemption risk, and valuation risk.
- vi. Investing in REITs means that clients will be subject to the risks associated with investments in mortgages and their related activities in addition to the general risk of equity and financial markets. Among the factors that the REIT industry is vulnerable to are: (1) change in government regulation, primarily the pass-through tax treatment of REIT income, (2) the market for residential mortgage assets, (3) the general level and term structure for interest rates. The common equity prices of REITs have historically been more closely correlated with changes in interest rates than other non-REIT equity securities. Additionally, REITs tend to be more illiquid in nature, may contain additional fees, and may experience disruptions in distributions in comparison to other types of securities.
- vii. Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.
- viii. Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

- ix. Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.
- x. Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.
- xi. Commercial Paper is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.
- xii. Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.
- xiii. Strategy Risk: The advisor's investment strategies and/or investment techniques may not work as intended.
- xiv. Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.
- xv. Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.
- xvi. Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.
- xvii. Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.
- xviii. Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

Item 10: Other Financial Industry Activities & Affiliations

- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor any of its management persons have any relationship or arrangement with any related person below:
- i. broker-dealer, municipal securities dealer, or government securities dealer or broker
 - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
 - iii. other investment adviser or financial planner
 - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
 - v. banking or thrift institution
 - vi. accountant or accounting firm
 - vii. lawyer or law firm
 - viii. pension consultant
 - ix. real estate broker or dealer
 - x. sponsor or syndicator of limited partnerships
- D. Adviser has a related licensed insurance agency, Bannerman Insurance Group, LLC ("Bannerman Insurance"), which provides individual life, disability and long-term care coverage through various insurance companies. Joshua K Bannerman is the owner and CEO of Bannerman Insurance. Through this capacity, he receives compensation from the purchase or sale of insurance products to clients made through Bannerman Insurance. Mr. Bannerman spends less than 5 hours a month on this business.

From time to time, Clients of Adviser will be referred to Bannerman Insurance. While Adviser does not receive a referral fee, some of Adviser's personnel who are insurance agents will receive commissions for the sale of insurance products. The receipt of insurance commissions is in addition to any advisory fees charged by Adviser. Clients are never obligated or required to purchase insurance products from Bannerman Insurance and may choose an independent insurance agent and insurance company from which to purchase insurance products instead. Referring clients to Bannerman Insurance and the receipt of commissions for the sale of insurance products by Adviser's personnel are conflicts of interest. However, these conflicts are mitigated by providing disclosures regarding Adviser's relationship with Bannerman Insurance and the potential receipt of insurance commissions by Adviser's personnel. Clients are also advised that they may seek out an independent insurance company and agent for their insurance needs - they are under no obligation to utilize Bannerman Insurance. Any fees paid to Bannerman Insurance are separate and distinct from any advisory fees earned by and payable to Adviser for the provision of investment management and/or financial planning services.

- E. Joshua K Bannerman is Co-Owner of SB Podcast LLC, a podcast distribution company. Mr. Bannerman is the Co-Host of the popular Stacking Benjamins podcast produced by SB Podcast LLC. He spends approximately 10-15 hours per month on this non-investment related other business activity.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances, Adviser will act in the best interests of its clients.

Item 12: Brokerage Practices

- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends CS&Co. as the custodial broker-dealer for client accounts. We are independently owned and operated and are not affiliated with CS&Co. CS&Co. will hold your assets in a brokerage account and buy and sell securities upon instructions from us. While we require that you use CS&Co. as custodian, you will decide whether to do so and will open your account with CS&Co. by entering into an account agreement directly with CS&Co.
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the custodial broker-dealer recommended by Adviser (CS&Co.) does provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) access to investment certain products to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients, (f) investment research, (g) back office assistance, (h) practice management consulting, including technology, compliance, legal, and business consulting; and (i) access to employee benefits providers, human capital consultants, and insurance providers. CS&Co. may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co. retains the authority to discount or waive its fees for some of these services or pay all or a part of a third party's fees. From time to time, CS&Co. will also provide us with other benefits such as occasional business entertainment of our personnel.

The receipt of these products and services creates a conflict of interest to the extent it causes Adviser to recommend CS&Co. as opposed to a comparable custodial broker-dealer. Adviser addresses this conflict of interest by fully disclosing it in this brochure, evaluating CS&Co. based on the value and quality of its services as realized by clients, and by periodically evaluating alternative broker-dealers to recommend.

With respect to the WealthBuilder Program, as described above under Item 4, we do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the WealthBuilder Program. In light of our arrangements with CS&Co., we have an incentive to recommend that our clients maintain their accounts with CS&Co. based on our interest in receiving CS&Co.'s services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that our selection of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not services that benefit only us.

- ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
 - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer other than CS&Co.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as not to disadvantage any client and to treat all clients as fairly and equally as possible. CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the WealthBuilder Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the WealthBuilder Platform.

Item 13: Review of Accounts

- A. Joshua K Bannerman monitors client accounts on an ongoing basis, and typically reviews client accounts no less frequently than on an annual basis. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.
- D. In addition, clients are automatically enrolled in a client portal maintained by eMoney. This service is an additional benefit for our clients, but is not a replacement for their actual statement from CS&Co. or their other custodians. This is simply a value-add service and a convenience feature we offer our clients.

Item 14: Client Referrals and Other Compensation

- A. Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

Item 15: Custody

For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s) to third-parties, Adviser will not have any custody of client funds or securities.

For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s) to a third-party, Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

Item 16: Investment Discretion

Through the provision of investment management services, Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. This includes the authority to buy, sell, and otherwise transact in securities and other investment products in client's account(s) without necessarily consulting with clients in advance. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

Item 17: Voting Client Securities

- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

Item 18: Financial Information

- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.
- C. Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.

CLIENT TERMS, CONDITIONS AND DISCLOSURES 1. Client Terms and Conditions. Advisor's Client Agreement shall include terms and conditions conforming in all material respects to the following: • [Advisor] is independent of and not owned by, affiliated with, or sponsored or supervised by Performance Technologies, Inc., d/b/a Schwab Performance Technologies ("SPT"), Charles Schwab & Co., Inc. ("CS&Co."), Charles Schwab Bank, SSB, or any of their affiliates (collectively, "Schwab"). • [Advisor], and not Schwab, is [Client's] investment advisor and point of contact and is responsible to [Client] with respect to Advisor's automated investment program (the "Program"). • [Advisor] and [Client] are solely responsible, and Schwab is not responsible, for choosing an investment strategy and portfolio available through the Program and determining the appropriateness of the Program and the chosen investment strategy and portfolio for [Client's] investment needs and goals. Institutional Intelligent Portfolios® Rev. 2021.11 29 • Any fee [Client] pays [Advisor] is not set or supervised by Schwab. • CS&Co. acts solely as a broker-dealer and not as an investment advisor to [Client]. It maintains custody of [Client's] account assets and executes trades for that Account. • Schwab is not responsible to [Client] for the Program, any portfolio, wash sales or other tax consequences of tax-loss harvesting, or [Advisor's] suspension or resumption of trading in [Client's] account. • [Client] understands and agrees that it is not a third-party beneficiary of the agreement between Schwab and [Advisor]. [Client] shall not have any cause of action or any other rights or remedies under that agreement. • [Client] agrees that Schwab are express and intended third-party beneficiaries of this Agreement and that the terms and conditions of this Agreement relating to Schwab inure to the benefit of, and may be enforced by, Schwab. 2. Disclosures to Clients. Advisor's Disclosure Brochure shall include disclosure conforming in all material respects to that set forth in Exhibit 1 (Sample Language for Advisor's Disclosure Brochure) to this Appendix D. Exhibit 1 to Appendix D SAMPLE LANGUAGE FOR ADVISOR'S DISCLOSURE BROCHURE IMPORTANT! Please Note: This sample language is intended to help Advisor (or "you" in this Exhibit) disclose your use of the Institutional Intelligent Portfolios® Platform (the "Platform") to create the portfolios for your automated investment program ("Program") in response to parts of Items 4, 5, 7, 12, 14, and 15 of Part 2A of Form ADV. It generally does not address your business with Schwab outside your use of the Platform in relation to your Program. This language is only a starting point. You will need to tailor it to your particular circumstances, including your relationships with your clients and your business relationship with Schwab. In the course of tailoring your final disclosure, you must identify conflicts of interest and describe how you address them. Bracketed language [...] may not apply and if so should be deleted or modified, or it may call for a choice among alternative words or phrases. Italicized text in brackets [...] consists of instructions and comments we have inserted to assist you in using this sample disclosure. This sample language is not intended to provide legal or regulatory compliance advice by Schwab. You should consult your legal counsel and compliance advisors. * * * Item 4 Advisory Business [Sample disclosure language for portions (but not all) of Item 4 appears immediately below. The parts of Item 4 to which this sample disclosure relates read as follows: "B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments. C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities. D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services."] We offer an automated investment program (the "Program") through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds ("Funds") and a cash allocation. The client may instruct us to exclude up to three Funds from their portfolio. The client's

portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Institutional Intelligent Portfolios® Rev. 2021.11 30 Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). [(Option 1) The System includes an online questionnaire that can help us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that, if we use the online questionnaire, we will recommend a portfolio via the System in response to the client's answers to the online questionnaire.] [(Option 2) Based on information the client provides to us, we will recommend a portfolio via the System.] The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). [We charge clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab.] Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. [Insert description of your other services to clients enrolled in the Program and the differences, if any, between how you manage client accounts enrolled the Program and other accounts.] Item 5 Fees and Compensation [Sample disclosure language for part (but not all) of Item 5 appears immediately below. The part of Item 5 to which this sample disclosure relates reads as follows: "C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage."] As described in Item 4 Advisory Business, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in Item 12 Brokerage Practices. * * * Item 7 Types of Clients [Sample disclosure language Item 7 appears immediately below. Item 7 reads as follows: "Describe the types of clients to whom you generally

provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have requirements for opening or maintaining an account, such as a minimum account size, disclose these requirements.”] Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open or convert an account in the Program is [\$5,000 / insert Advisor’s minimum if greater than \$5,000]. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000. * * * Institutional Intelligent Portfolios® Rev. 2021.11 31 Item 12 Brokerage Practices [Sample disclosure language for portions (but not all) of Item 12 appears immediately below. The parts of Item 12 to which this sample disclosure relates read as follows: “A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions). 1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create. 3. Directed Brokerage. a. If you routinely recommend, request, or require that a client direct you to execute transactions through a specified brokerdealer, describe your practice or policy. Explain that not all advisors require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money. B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.”] Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, CS&Co., a brokerdealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client’s account through the Program. CS&Co. may aggregate purchase and sale orders for Funds across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Platform. Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co. provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services— trading, custody, reporting, and related services—many of which are not typically available to CS&Co. retail customers. However, certain retail customers may be able to get institutional brokerage services from Schwab without going through us. CS&Co. also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. CS&Co.’s support services described below are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The availability to us of CS&Co.’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co.’s support services: CS&Co.’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co.’s services described in this paragraph generally benefit the client and the client’s account. CS&Co. also makes available to us other products and services that benefit us but do not directly benefit the client or its account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co. also

makes available software and other technology that:

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

CS&Co. also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology and business consulting;
- Consulting on legal and related compliance needs; Institutional Intelligent Portfolios® Rev. 2021.11 32
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

CS&Co. provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. [CS&Co. also discounts or waives its fees for some of these services or pays all or a part of a third party's fees.] [CS&Co. also provides us with other benefits such as occasional business entertainment of our personnel.] If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources. [Describe your firm's use of the services described in the preceding paragraphs and how you mitigate any conflicts.] The availability of services from CS&Co. benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co. in trading commissions or assets in custody. With respect to the Program, as described above under Item 4 Advisory Business, we do not pay SPT fees for the Platform so long as we maintain client assets in accounts at CS&Co. The fact that we receive these benefits from Schwab is an incentive for us to [recommend/require] the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our [selection/recommendation] of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us. [We have adopted policies and procedures designed to ensure that our use of Schwab's services is appropriate for each of our clients.] * * * Item 14 Client Referrals and Other Compensation [Sample disclosure language for part (but not all) of Item 14 appears immediately below. The part of Item 14 to which this sample disclosure relates reads as follows: "A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes."] We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangements because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Item 15 Custody [Sample disclosure language Item 15 appears immediately below. Item 15 reads as follows: "If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank, or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you."] Under government regulations, we are deemed to have custody of a client's assets if the client authorizes us to instruct CS&Co. to deduct our advisory fees directly from the client's account. This is the case for accounts in the Program. CS&Co. maintains actual custody of clients' assets. Clients receive account statements directly from CS&Co. at least quarterly. They will be sent to the email or postal mailing address the client provides to CS&Co. Clients should carefully review those statements promptly when received. We also urge clients to compare

CS&Co.'s account statements to the periodic [account statements/portfolio reports] clients receive from us.