

## **Item 1 Cover Page**

Registered as Knox Wealth Partners Advisory, LLC

CRD No. 288580



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**March 2024**

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

This brochure provides information about the qualifications and business practices of Knox Wealth Partners Advisory. If you have any questions about the contents of this brochure, please contact us at (865) 291-2422 or [Porter@knoxwealthpartners.com](mailto:Porter@knoxwealthpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Knox Wealth Partners Advisory is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (865) 291-2422.

Additional information about Knox Wealth Partners Advisory is available via the SEC's Web Site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web Site also provides information about any persons affiliated with Knox Wealth Partners Advisory who are registered, or are required to be registered, as investment adviser representatives of Knox Wealth Partners Advisory.

The summary below discusses only material changes since our last annual update of this brochure dated March 30, 2023:

- Item 4 - Financial planning services are no longer included as part of Knox Wealth Partners Advisory's asset management services.
- Item 4, 5, 7 and 13 - Financial planning and consulting services are offered as separate advisory services of Knox Wealth Partners Advisory.

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## **Item 4 – Advisory Business**

### **The Firm**

Knox Wealth Partners Advisory is a comprehensive financial services firm dedicated to providing our clients with an individually tailored approach to investing and risk management. The firm has been an independent SEC investment adviser since 2017 but has over 75 years of combined experience. Knox Wealth Partners Advisory is anchored by in-depth knowledge, transparent guidance, and compassionate service to select families and business owners.

The firm offers discretionary and non-discretionary asset management services primarily individual and business owners. Financial planning and consulting services are offered as separate services and are not included as part of our asset management services. The firm does not directly hold cash or securities or have direct access to client funds. The firm has a custodial relationship with LPL Financial as the qualified custodian.

- Investment adviser representatives of Knox Wealth Partners Advisory are also investment adviser representatives of LPL Financial, an SEC registered investment adviser (CRD No. 6413) in order to provide advisory services to retirement plans through LPL Financial sponsored platforms.
- Investment adviser representatives of Knox Wealth Partners Advisory are registered representatives of LPL Financial, a FINRA/SIPC member broker/dealer, to offer brokerage services.
- Certain investment advisor representatives are insurance agents appointed with various insurance carriers to offer insurance products.

While Knox Wealth Partners Advisory has engaged LPL Financial, LLC to act in a custodial capacity and investment adviser representatives of Knox Wealth Partners Advisory are individually registered with LPL Financial as a broker/dealer and also investment adviser representatives of LPL Financial as an SEC registered investment adviser. LPL Financial LLC is a separate and legally unaffiliated entity.

### **Principal Owners**

**W. Porter Alexander, Managing Partner & Chief Compliance Officer (CRD No. 4151849)** - Porter Alexander has over 20 years of experience in the Financial Services industry, Porter's hallmark has been to understand each client specifically and to assess the often-unintended benefit or consequence of the solutions being implemented. He draws from his wide knowledge of business, investment, and accounting concepts to get to the root of the issues in order to design a strategy with the goal of assisting owners with growing their business, saving on taxes, keeping their employees, and positioning for a seamless retirement. Before entering the financial strategy field, Porter grew up in his family's construction business. This experience gives him the understanding of the opportunities and challenges of being the next generation within a family-owned business. Mr. Alexander was awarded the CERTIFIED FINANCIAL PLANNER™ designation, after having completed the rigorous academic requirements, ethics requirements, and industry experience mandates. He also holds the securities license series 6, 7, 24, 63.

**Charles F. Farmer, Managing Partner (CRD No. 2245087)** - Chuck Farmer is a veteran of the financial services industry with over 20 years of experience. A graduate of the University of North Carolina, Chapel Hill, and Princeton Theological Seminary, Chuck specializes in delivering option-driven products and services for his business, estate, and retirement planning clients. He enhances the company's expertise in the areas of business continuation planning, income and estate planning, and business employee relations and development. Chuck holds the designation of Chartered Financial Consultant and Chartered Life Underwriter from the American College, Bryn Mawr, PA. and holds the securities license series 6 and 63.

**Kristen T. Tucker, Managing Partner (CRD No. 4266988)** - Kristen has worked in the financial services industry since 1999, having started her career at First Tennessee Bank in downtown Knoxville, TN. She has since worked as a Financial Advisor for two of the major wirehouse firms, before making the decision to move her practice to the independent channel. This move was based on her desire to provide truly unbiased and objective advice in an environment where her clients' best interests would always be first. In 2006, Kristen was awarded the CERTIFIED FINANCIAL PLANNER<sup>™</sup> designation, after having completed the rigorous academic requirements, ethics requirements, and industry experience mandates. She applies this knowledge in her practice as she works closely with each client to develop, implement and monitor an investment strategy designed to best help them reach their goals, which serves as the foundation for every relationship. Kristen holds a B.S. from the University of Tennessee, Knoxville and holds the securities license series 7 and 66.

## **Asset Management**

Knox Wealth Partners Advisory offers an open architecture custodial account where investment advisor representatives directly select and manage the specific securities based on a client's investment profile. The firm also offers advisory programs where the underlying investments are selected and managed by independent professional portfolio managers, but the firm remains responsible for portfolio allocation and direct advice. A broad range of portfolio managers and multiple investment styles are available, including equity, fixed income, asset classes, mutual funds, ETFs, and specialty strategies. More specific account information and acknowledgements are detailed in the account opening documents. There is generally no minimum account balance required for a Knox Wealth Partners Advisory asset management account.

## **LPL Financial Sponsored Advisory Programs**

Knox Wealth Partners Advisory provides advisory services through certain programs sponsored by LPL Financial Corporation (LPL), an SEC registered investment advisor and FINRA/SIPC member broker/dealer. Below is a brief description of each LPL advisory program available to Knox Wealth Partners Advisory. These programs are the non-wrap programs currently offered by Knox Wealth Partners Advisory. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV 2A and the applicable client agreement.

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

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for

the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will also have authority to rebalance the account. A minimum account value of \$15,000 is required for OMP.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities. A minimum account value of \$250,000 is required for PWP.

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

MWP offers clients a professionally managed mutual fund asset allocation program. Knox Wealth Partners Advisory 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 Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

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 and outside strategists. A minimum account value of \$25,000 is required for MWP.

### **Manager Access Select Program**

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.

LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory fees associated with program accounts. Associated persons of Advisor are also registered representatives of LPL.

Knox Wealth Partners Advisory is responsible to:

- obtain the necessary financial data from each client;
- select the proper advisory program;
- determine the investment allocation; and,
- provide tailored investment advice based on a client's investment objectives.

Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. Depending on the anticipated level of trading, positions held and account size, investment advisor representatives of Knox Wealth Partners Advisory will work with each client to determine the most cost-effective fee structure.

## **Ticket Charges**

Ticket charges are an administrative fee charged per trade in an account. An asset management fee may include ticket charges, or a client may be responsible for such charges. When clients do not pay a transaction charge for transactions, clients should be aware that Knox Wealth Partners Advisory pays the custodian (LPL Financial LLC) the transaction charges on their behalf. The transaction charges paid by Knox Wealth Partners Advisory vary based on the type of transaction (e.g., mutual fund, equity or ETF) and for mutual funds based on whether or not the mutual fund pays 12b-1 fees and/or recordkeeping fees to LPL.

When Knox Wealth Partners Advisory pays the transaction charges on behalf of a client, there is a conflict of interest based on an incentive to avoid a fee rather place a trade. This conflict is mitigated by an investment adviser's fiduciary duty to act in their client's best interest and acting accordingly. Knox Wealth Partners Advisory has also taken further steps with their primary advisory platform "SWMII" to mitigate this conflict, by negotiating a flat asset-based charge in lieu of transactional charges for all SWM II advisory account trading.

## **Mutual Fund Share Classes**

The share class represents the amount a client will be charged for buying shares of a mutual fund, when the fee will be paid, and they determine the amount of annual fees to be paid.

- Class A Shares typically pay a 12b-1 fee to LPL Financial for providing brokerage-related services to the mutual funds by charging a front or rear load.
- Class I Shares ("institutional," "investor," "retail," "service," "administrative" or "platform") share classes are no-load or load-waived share classes and therefore not subject to any upfront sales charge and do not pay 12b-1 fees

## Assets Under Management

As of January 26, 2024, the firm has \$176,615,765 of discretionary client assets under management and \$318,667 non-discretionary client assets under management.

## Wrap Fee Program

Knox Wealth Partners Advisory offers investment management services through both wrap fee programs and non-wrap fee programs. A wrap fee program is an advisory program under which a specified fee (or fees), not based directly upon transactions in a client's account, is charged for investment advisory services. (it "wraps" the transactional expenses associated to the investment account into the Advisory Fee). A non-wrap fee program has a specific Advisory Fee and also charges the client directly for transactional expenses (an example would be transactional expense incurred to buy or sell a security).

The Knox Wealth Partners Advisory Wrap Fee Program is a comprehensive advisory program that charges a single fee covering a bundle of services; such as, portfolio management, advice, and investment research as well as trade execution, custody and reporting fees for example. The fee is not based directly upon advisory services for a wrap fee program – see separate Knox Wealth Partners Advisory Wrap Fee Program Disclosure Brochure for details.

The cost for a Knox Wealth Partners Advisory Wrap Fee Program account is typically higher than a non-wrap account. This is because transaction costs are passed along to you in a non-wrap account while the transaction costs are covered under the overall fee charged for Knox Wealth Partners Advisory Wrap Fee Program accounts.

The non-wrap fee programs are offered using LPL's Strategic Wealth Management Platform (SWM I). This means in addition to our investment advisory fee you also pay certain transaction charges associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform account and application agreement.

## Financial Planning and Consulting Services

Knox Wealth Partners Advisory offers financial planning and consulting as separate services.

Our financial planning services cover multiple or limited topics that may include a written financial plan or other deliverable, depending on the needs and requests of each client. The types of financial planning topics offered include:

- **Retirement** – planning an accumulation strategy with the objective of providing inflation-adjusted income for life.
- **College / Education** – planning an accumulation strategy to pay the future college / education expenses of a child or grandchild.
- **Major Purchase** – Evaluation of the pros and cons of a major purchase and its effect on other financial priorities.



- **Cash Flow/ Budget Planning** –Planning and allocating monthly cash flow in excess of current and planned future expenses in alignment with goals and priorities.
- **Debt Reduction** –Create a strategy to reduce debts and avoid future accumulated debt.
- **Financial Software** – Access to various financial softwares for the purpose of aggregating information - asset balances, liabilities and cash flow on one financial dashboard.
- **Windfall / Inheritance Planning** – Creating a strategy to allocate a significant increase in resources for future needs and objectives.
- **Insurance Planning** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent childcare, education and spousal arrangements
- **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.
- **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.
- **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.

The extent of planning can vary greatly depending on the scope and complexity of a particular client’s financial situation and may include other areas of focus as warranted.

Knox Wealth Partners Advisory also offers consulting services in order to discuss financial planning and other issues when you do not need a written financial plan or other deliverable. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer “as-needed” consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an “as-needed” consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Client should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations. Written financial plans or other deliverables prepared by Knox Wealth Partners Advisory do not include specific recommendations of individual securities except in instances where strategies may be needed to officially reduce exposure to a client's employer related publicly traded stock.

Our separate financial planning and consulting services do not involve implementing any transactions on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through Knox Wealth Partners Advisory or retain Knox Wealth Partners Advisory to actively monitor and manage your investments, you must execute a separate written agreement with Knox Wealth Partners Advisory for asset management services.

### **Retirement Plan Rollover Recommendations**

When Knox Wealth Partners Advisory provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Knox Wealth Partners Advisory is a **"fiduciary"** within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Knox Wealth Partners Advisory makes money creates conflicts with your interests so Knox Wealth Partners Advisory operates under a special rule that requires Knox Wealth Partners Advisory to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Knox Wealth Partners Advisory must act as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

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

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Knox Wealth Partners Advisory, please know that Knox Wealth Partners Advisory and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Knox Wealth Partners Advisory. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Knox Wealth Partners Advisory.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Knox Wealth Partners Advisory receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Knox Wealth Partners Advisory and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Knox Wealth Partners Advisory or our affiliated personnel.

### **Conflicts of Interest**

Investment adviser representatives must fully disclose all material facts concerning any conflict and should avoid even the appearance of a conflict of interest and abide by honest and ethical business practices.

- As previously disclosed, investment advisor representatives of Knox Wealth Partners Advisory are also investment advisor representatives and registered representatives of LPL Financial as well as insurance agents appointed with multiple insurance carriers.
  - The recommendation that a client purchase a commission product from an investment advisor representative in their separate capacity as a registered representative of LPL or as an agent of an insurance company presents a conflict of interest, as the receipt of commissions provides an incentive that may not be in a client's best interests.
  - Dual registration with more than one registered investment advisor is a conflict of interest. This conflict is mitigated by an investment advisor representative's fiduciary duty to act in a client's best interest when selecting the appropriate registered investment advisor for advisory services.

- Investment advisor representatives of Knox Wealth Partners Advisory receive compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.
- Investment advisor representatives must not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- Investment advisor representatives may not borrow money or securities from or lend money or securities to a client.
- Investment advisor representatives must not place 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.
- Product sponsors may pay for or reimburse Knox Wealth Partners Advisory for the reasonable costs associated with, education or training events.
- 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.

Such conflicts and risk of misconduct are mitigated by an investment adviser representative's fiduciary duty to act in the best interests of its clients and acting accordingly. The firm's Chief Compliance Officer, W. Porter Alexander, is available to address any questions regarding conflicts of interest.

### **Other Considerations**

Neither the firm nor any investment advisor representative are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Knox Wealth Partners Advisory is not a law firm or an accounting firm and does not offer legal or accounting services. Accordingly, Knox Wealth Partners Advisory does not prepare legal documents or prepare tax returns. Knox Wealth Partners Advisory may introduce clients to other professionals for such non-investment related services, which in some cases may be an investment adviser representative of Knox Wealth Partners Advisory acting in an unaffiliated separate individual capacity. Clients are under no obligation to use these professionals and should conduct their own due diligence prior to engaging their services. Knox Wealth Partners Advisory should not be considered a party to any disputes that may arise.

Certain mutual funds recommended by investment adviser representatives of Knox Wealth Partners Advisory are publicly available for purchase without engaging the services of Knox Wealth Partners Advisory. However, if a client elects to make such direct purchases, they do so without the benefit of the on-going advisory services offered by Knox Wealth Partners Advisory.

## **Item 5 – Fees and Compensation**

### ***Fees For Asset Management Services***

Investment advisor representatives may only provide services and charge fees based on the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Investment advisor representative will consider the individual needs of each client when recommending an advisory platform. Furthermore, investment strategies and recommendations are tailored to the individual needs of each client.

- Asset management fees are deducted by LPL Financial LLC as the qualified custodian in advance.
  - Clients of Knox Wealth Partners Advisory enter into a separate agreement regarding the amount of asset management fees to be deducted.
  - Knox Wealth Partners Advisory does not have the independent ability to increase an asset management fee.
- LPL Financial LLC as the qualified custodian sends clients of Knox Wealth Partners Advisory quarterly performance report that details the:
  - amount of the fee charged;
  - amount of assets subject to the fee; and,
  - time period covered by the fee.

The specific fee charged is negotiated but will not exceed a total annual fee of 2.5% based on the account specifics such as household account size, management style, complexity of holdings, investment type, management strategy and the expected amount of time and effort required.

Fees are billed in advance based assets under management as of the last business day of the previous quarter.

$$[Quarter\ End\ Value\ X\ Advisory\ Fee] / 360 \times 90\ Days = \underline{Advance\ Billing}$$

Clients may also incur certain charges imposed by third-parties in connection with investments made in the account(s), including , but not necessarily limited to, the following types of charges: investment managers, mutual fund management fees and administrative serving fees, mutual fund 12b-1 fees, certain deferred sales charges on previously purchased mutual funds, clearing, custody, postage and handling, other transaction charges and service fees (i.e. account transfer fees, wire transfer fees, termination fees, etc.) interest on debt balances, IRA Qualified Retirement Plan fees, and other costs or charges with securities transactions mandated by law. Further information regarding charges and fees assessed by a mutual fund or other securities sponsors is available in the appropriate prospectus or disclosure statement.

Fees are prorated (based on the number of days service is provided during the initial billing period) for client's account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed in advance.

Clients may terminate the agreement without penalty for a full refund of the fees within five business days of signing an agreement. Thereafter, clients may terminate the agreement with 30 days' written notice. If

the advisory agreement is terminated before the end of the quarterly period, client is 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 by the custodian.

### **Fees For Financial Planning and Consulting Services**

Fees charged for our financial planning and consulting services are negotiable based upon the type of client, the client's financial situation and background, the services requested, the investment adviser representative providing the services, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the relationship of the client and the investment adviser representative.

Before commencing financial planning consulting services, Knox Wealth Partners Advisory provides an estimate of the approximate hours needed to complete the requested financial planning or consulting service. If Knox Wealth Partners Advisory anticipates exceeding the estimated amount of hours required, Knox Wealth Partners Advisory will contact you to receive authorization to provide additional services.

The following are the fee arrangements available for financial planning and consulting services offered by Knox Wealth Partners Advisory.

#### ***Fixed Fees***

Knox Wealth Partners Advisory provides financial planning and consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for financial planning or consulting services under this arrangement. The minimum fixed fee charged is generally \$250 and the maximum fixed fee is generally no more than \$10,000. The amount of the fixed fee for your engagement is specified in your agreement with Knox Wealth Partners Advisory.

Fixed fees for one-time financial planning and consulting services are billed upon completion of the services and due immediately. Fixed fees for on-going financial planning and consulting services are billed monthly in arrears or upon completion of a specific project.

#### ***Hourly Fees***

Knox Wealth Partners Advisory provides financial planning and consulting services under an hourly fee arrangement. An hourly fee of \$100 - \$350 per hour is charged by Knox Wealth Partners Advisory for services under this arrangement. The hourly fee is determined by the investment adviser representative providing the services.

Hourly fees for one-time financial planning and consulting services are billed upon completion of the services and due immediately. Hourly fees for on-going financial planning and consulting services are billed monthly in arrears or upon completion of a specific project.

### ***Other Fee Terms for Financial Planning & Consulting Services***

You may pay the investment advisory fees owed for financial planning and consulting services by submitting payment directly to Knox Wealth Partners Advisory by check or through a third-party payment processing company.

You should notify Knox Wealth Partners Advisory within ten (10) days of receipt of a billing invoice if you have questions about or dispute any billing entry.

To the extent Knox Wealth Partners Advisory provides you with general investment recommendations as part of the financial planning or consulting services and you implement such investment recommendations through Knox Wealth Partners Advisory, we may waive or reduce the fees for financial planning or consulting services at our discretion.

One-time financial planning and consulting services terminate upon delivery of the written financial plan, other deliverable or consultation or upon either party providing the other party with written notice of termination. On-going financial planning and consulting services will terminate upon either party providing written notice of termination to the other party. In the event that you terminate the financial planning or consulting services at any time prior to completion of the service, there will be no penalty, however you will pay Knox Wealth Partners Advisory a pro-rated fee equivalent to the percentage of work completed by Knox Wealth Partners Advisory up to termination.

All fees paid to Knox Wealth Partners Advisory for advisory services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any insurance products and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to Knox Wealth Partners Advisory and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to Knox Wealth Partners Advisory for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

All fees paid to Knox Wealth Partners Advisory for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Knox Wealth Partners Advisory does not accept performance-based fees. Knox Wealth Partners Advisory does not participate in side-by-side management.

#### **Item 7 – Types of Clients**

Knox Wealth Partners Advisory generally provides advisory services to high net worth individuals and business owners. However, the advisory services offered by Knox Wealth Partners Advisory may be offered to additional types of clients as such opportunities may arise.

#### ***Minimum Investment Amounts Required***

There are no minimum investment amounts or conditions required for establishing an account managed by Knox Wealth Partners Advisory. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Knox Wealth Partners Advisory

Advisory services offered through certain programs sponsored by LPL Financial Corporation (LPL) may have minimum account and minimum fee requirements in order to participate in their programs. Any minimum account size and fees are disclosed in LPL's Form ADV Part 2A Disclosure Brochure.

The minimum fixed fee charged for financial planning and consulting services is \$250 or the minimum is waived at the discretion of the firm.

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

A client's portfolio may include assets of publicly held companies in the United States and foreign markets. This may include both equities and fixed income assets. Other options may include domestic and foreign debt instruments (i.e. government and corporate bonds), real estate investment trusts and mutual funds or private placements that invest in natural resources or managed futures (markets such as, and not limited to, currency, commodity, agriculture and energy).

Each market may function and change in different ways depending on supply and demand, current events and investor behaviors. While our goal is to help increase a client's net worth, there is potential for losses in market, principal, and interest values. These changes may also affect a client's tax situation and filings.

#### **Methods of Analysis**

**Fundamental Analysis** – involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages in an attempt to measure and evaluate the intrinsic value. This type of analysis concentrates on factors that determine a company's undervalued market position with a focus on the potential for 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 take into account 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:

1. the markets do not always repeat cyclical patterns; and,
2. 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.

Analysis and strategies also consider:

- Publicly Available Data
- A Client's Net Worth
- Risk Tolerance
- Goals for Investment Account Funds
- 3<sup>rd</sup> Party Research

Each client portfolio will be initially designed to meet a particular investment goal, which we determine to be appropriate for the client's circumstances. Once the portfolio has been determined, we regularly review the portfolio and as appropriate, rebalance it based upon the client's individual needs, stated goals and objectives.

### **Risk of Loss**

Investing in securities involves a risk of loss that clients should be prepared to bear. 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. Investment adviser representatives of Knox Wealth Partners Advisory consider the following risks when managing client assets. While there may be additional risks to consider, clients, at a minimum, should understand, consider and as appropriate accept certain risks as detailed below.

- **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. This is a risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification
- **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 Risk** – 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.

The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations.

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

Investment advisor representatives of Knox Wealth Partners Advisory allocate a client's assets as appropriate to help them reach their individual investment objectives within their time horizon in a manner consistent with their risk profile. Client funds are allocated appropriately in such investments as listed below:

- **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 an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **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.

- **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 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 goes 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** – 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** – 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.
- **Inverse / Enhance Market Strategies** – The purchase of mutual funds, ETFs or other exchange traded noted that are designed to perform inversely to certain market indices as an investment strategy in order to hedge against downside market risk or for the purpose of increasing gains in an advancing market.
- **Cash Positions** – Based on a perceived or anticipated market conditions and/or events, certain assets may be taken out of the market and held in a defensive cash position. All cash shall be included as assets subject to the agreed upon advisory fee.

Other investment types may be included as appropriate for a particular client and their respective trading objectives.

### **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of an advisory firm or the integrity of the firm's management. Any such disciplinary information for the company and the company's investment advisor representatives would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>.

There are no such legal or material disciplinary events to disclose.

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

Investment adviser representatives of Knox Wealth Partners Advisory receive compensation for the sale of securities and other investment products in their capacity as a registered representative of LPL Financial LLC. Investment adviser representatives of Knox Wealth Partners Advisory may also be insurance

agents/brokers 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.

An investment advisor representative is not paid both an advisory fee and a commission for the same product. The conflict of interest created by the different payment structures is mitigated by an investment advisor representative's fiduciary duty to act in the best interest of their client and to act accordingly.

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

Knox Wealth Partners Advisory 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.
  - As disclosed in the Conflicts of Interests section, 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.
  - Neither Knox Wealth Partners Advisory 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.
- An investment adviser is considered a fiduciary.
  - As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times.
  - A fiduciary duty is considered the core underlying principle for a Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.
  - All of our supervised persons must conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.
  - Upon employment or affiliation, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with the Code of Ethics.

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.

### **Item 12 – Brokerage Practices**

All investment adviser representatives of Knox Wealth Partners Advisory are also registered representatives of LPL and will recommend LPL Financial for securities transactions.

- Knox Wealth Partners Advisory does not maintain discretionary authority in determining the

broker/dealer with whom orders for the purchase and sale of securities are placed for execution.

- Knox Wealth Partners Advisory does not have discretion regarding the commission rates at which such transactions are effected.

Each asset management client of Knox Wealth Partners Advisory will be required to establish an LPL Financial account.

## **Soft Dollars**

Knox Wealth Partners Advisory does not receive soft dollar support services from LPL Financial. Support services are provided without cost, at a discount, and/or at a negotiated rate, and 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 business operations.

These support services are not considered “soft dollar” because they are provided to Knox Wealth Partners Advisory based on the overall relationship without regard to a minimum production standard or the amount of assets under management.

## **Best Execution**

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, for the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our recommendations to our clients are based on our clients’ interests in receiving best execution and the level of competitive, professional services.

## **Trade Aggregation**

For advisory services, Knox Wealth Partners Advisory and its related persons 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. Knox Wealth Partners Advisory and its related persons may determine not to aggregate transactions, for example, based on the size of the trades, number of client accounts, the timing of trades, and the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Knox Wealth Partners Advisory 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.

### **Item 13 – Review of Accounts**

Account surveillance is conducted on an ongoing basis by W. Porter Alexander, the Chief Compliance Officer. Client review periods are generally annually depending on market conditions, the client's funding needs and changes in their investment objectives. Occasionally a review may result in a "no change" recommendation. If a client has a change in their financial situation Knox Wealth Partners Advisory will perform a review to make sure that the portfolio is appropriate for the client and meets their cash needs. 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.

- All clients are advised that it remains their responsibility to advise Knox Wealth Partners Advisory 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.

Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

You are encouraged to always compare any reports or statements provided by us or a third-party against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact Knox Wealth Partners Advisory and the qualified custodian preparing the statement.

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

Knox Wealth Partners Advisory 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 Knox Wealth Partners Advisory for the costs associated with, education or training events that may be attended by Knox Wealth Partners Advisory employees and investment advisor representatives and for Knox Wealth Partners Advisory sponsored conferences and events. Such additional compensation represents a conflict of interest however investment advisor representatives of Knox Wealth Partners Advisory have a fiduciary duty to act in the client's best interest.

Knox Wealth Partners Advisory does not pay for any client referrals.

Knox Wealth Partners Advisory does not receive any other economic benefit for providing investment advice or other advisory service from someone who is not a client.



## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Knox Wealth Partners Advisory is deemed to have custody of client funds and securities whenever Knox Wealth Partners Advisory is given the authority to have fees deducted directly from client accounts. Knox Wealth Partners Advisory is also deemed to have custody of client funds and securities when Knox Wealth Partners Advisory has standing authority (also known as a standing letter of authorization or “SLOA”) to move money from a client’s account to a pre-determined third-party account. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Knox Wealth Partners Advisory is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the custodian to each client, or the client’s independent representative, at least quarterly.

In addition,

- The statements from the custodian show all disbursements in the 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.
- Payment of fees may result in the liquidation of a client’s positions if there are insufficient funds in the account.
- Fees are assessed on all assets in the account(s), including securities, cash or money market balances.
- Margin debits do not reduce the value of the assets in the account for billing purposes.

Clients should review the fee calculated and deducted by the custodian to ensure that the fees were calculated correctly.

Clients are encouraged to always compare any reports or statements provided by Knox Wealth Partners Advisory or a third-party against the account statements delivered from the custodian. When a client has questions about their account statement, the client should contact Knox Wealth Partners Advisory and the custodian preparing the statement.

## **Item 16 - Investment Discretion**

Knox Wealth Partners Advisory provides investment advisory services on a discretionary or non-discretionary basis. Prior to Knox Wealth Partners Advisory assuming discretionary authority over a client's account, the client shall be required to grant permission by executing a written advisory agreement, naming Knox Wealth Partners Advisory as the client's attorney and agent-in-fact. Such an agreement, grants Knox Wealth Partners Advisory full authority to buy and/or sell the type and amount of securities on behalf of a client, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

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

Knox Wealth Partners Advisory does not vote client proxies. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact Knox Wealth Partners Advisory at (865) 291-2422 to discuss any questions they may have with a particular proxy vote. To request assistance on a proxy voting issue please contact the offering company.

However, third party money managers selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a third-party 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 third-party 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.

## **Item 18 – Financial Information**

Knox Wealth Partners Advisory 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 physical 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 Knox Wealth Partners Advisory been the subject of a bankruptcy petition.