

Registered as Owen LaRue, LLC | CRD No. 289436



**Part 2A of Form ADV: Firm Brochure**

Owen LaRue, LLC  
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This This brochure provides information about the qualifications and business practices of Owen LaRue, LLC (“Owen LaRue”). If you have any questions about the contents of this brochure, please contact us at 270-769-9995. 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. Owen LaRue is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Owen LaRue is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for Owen LaRue is 289436.

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## Item 2 – Material Changes

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This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). We encourage you to read this document in its entirety.

The only material changes since our last Annual Amendment ADV filing made on March 05, 2023 is that ownership structure, which is now:

- The Cecilian Bank: 33%
- Jim Owen: 33.5%
- Ben LaRue: 33.5%

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Robert B. LaRue at 270-769-9995 or [ben@owenlarue.com](mailto:ben@owenlarue.com).

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## Item 3 – Table of Contents

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|   |    |
|---|----|
| Item 1 – Cover Page.....  | 1  |
| Item 2 – Material Changes.....  | 2  |
| Item 3 – Table of Contents.....   | 3  |
| Item 4 –Advisory Services.....  | 4  |
| Item 5 – Fees and Compensation.....   | 9  |
| Item 6 – Performance-Based Fees and Side-By-Side Management .....                                     | 12 |
| Item 7 – Types of Clients.....  | 12 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....                            | 12 |
| Item 9 – Disciplinary Information .....   | 16 |
| Item 10 – Other Financial Industry Activities and Affiliations.....                                   | 16 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... | 17 |
| Item 12 – Brokerage Practices.....  | 18 |
| Item 13 – Review of Accounts.....   | 21 |
| Item 14 - Client Referrals and Other Compensation .....   | 21 |
| Item 15 – Custody .....   | 22 |
| Item 16 – Investment Discretion.....  | 22 |
| Item 17 – Voting Client Securities.....   | 22 |
| Item 18 – Financial Information .....   | 22 |

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## Item 4 - Advisory Business

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This Disclosure document is being offered to you by Owen LaRue, LLC (“Owen LaRue”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Kentucky. We specialize in investment advisory services for individuals, high-net-worth individuals, institutions, families, charitable organizations, trusts, estates and employee sponsored retirement plans. Owen LaRue became a registered investment adviser with the U.S. Securities & Exchange Commission (“SEC”) in 2017. Robert B. LaRue and James Owen are the Managing Members each owning 33.5%. The remaining 33% is owned by The Cecilian Bank.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and Owen LaRue execute an engagement letter or client agreement.

### **Investment and Wealth Management and Supervision Services**

We manage advisory accounts on a discretionary basis. For a discretionary account, once we have determined a profile and/or investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various mutual funds, exchange-traded funds (“ETFs”), structured products, individual debt (bonds), cash and equity securities in accordance with their stated investment objectives. All of which are considered asset allocation categories for the client’s investment strategy.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background.

It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your

portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position or other held away investment held in client portfolios. Typically, these are assets that are ineligible to be custodied at our primary custodian. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

### **Financial 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 flows and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this comprehensive service receive a report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

Our comprehensive financial plan can address any of the following areas.

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax, spending and planning for past, current and future years, then illustrate the impact of various investments on the client's current income tax and future tax liability. We do not however, provide specific tax advice.
- **INVESTMENT:** We analyze investment alternatives and their effects on the client portfolio
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability and long-term care.
- **RETIREMENT:** We analyze current strategies and investment plans.

- **DEATH AND DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We can assess a client's current estate plan and assist the client in developing a long-term estate plan. Since we are not an attorney, any specific estate plan implementation would be referred to our client's legal counsel.

Annual reviews will be provided by the Adviser. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

### **Third Party Managers ("TPM")**

Our Firm provides investment advice and recommendations on the investment strategies of Third-Party Managers ("TPM"). Selected TPMs are evaluated by our Firm for client use. Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of TPMs. The intent of this service is to have a selected list of high quality and recognizable third-party investment management firms from which you select one or more TPMs to handle the day-to-day management of your account(s). Following recommendations by our Investment Adviser Representatives ("IAR"), you will have final authority to select a TPM. The IAR will assist you in completing appropriate documents.

Our Firm's IARs assist clients with identifying their risk tolerance and investment objectives. IARs will recommend TPMs in relation to the client's stated investment objectives and risk tolerance. A client may select a recommended TPM based upon the client's needs. Clients will enter a Third-Party Advisory Program Agreement directly with our firm as well as with the TPM. TPMs selected for your investments need to meet several quantitative and qualitative criteria established by our firm. Among the criteria that may be considered are the TPM's experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that a TPM's past performance is no guarantee of future results.

There is a certain market and/or interest rate risk which may adversely affect any TPM's objectives and strategies, and could cause a loss in a Client's account(s); and

Client risk parameters or comparative index selections provided to Our firm are guidelines only and there is no guarantee that they will be met or not be exceeded.

Our IARs shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the TPM. TPMs may take discretionary authority to determine the securities to be purchased and sold for the client. Neither our firm nor its associated persons will have any trading authority with respect to clients' managed account with the TPM(s).

All accounts are managed by the selected TPM and our firm does not have any discretionary trading authority

with respect to such accounts. Information collected by our firm regarding TPMs is believed to be reliable and accurate, but our firm does not necessarily independently review or verify it on all occasions. All performance reporting will be the responsibility of the respective TPM. Such performance reports will be provided directly to you and our firm. Our Firm does not audit or verify that these results are calculated on a uniform or consistent basis as provided by a TPM directly to our firm or through the consulting service utilized by the TPM.

Our Firm has entered into agreements with various independent TPMs. Under these agreements, our firm offers client's various types of programs sponsored by these TPMs. All TPM to whom Our firm will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity-based accounts. A complete description of the TPM's services, fee schedules and account minimums will be disclosed in the TPM's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established.

### **Retirement Plan Advisory Services**

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan's "investment manager" with respect to the Plan's portfolio of investment options. We acknowledge that we are registered as an investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and act as a "fiduciary" within the meaning of Section 3(21) of ERISA with respect to the Plan.

Plan participants have the ability to exercise control over the assets in their account, and we have no authority or discretion to direct the investment of assets of any participant's account under the Plan.

We offer management of 401(k), 457, and 403(b) accounts both on a plan level and on the individual participant level. On the plan level, we manage the investment line-up making changes as necessary as well as providing risk based investment models for the participants. On the individual participant level, we manage risk based models using the current investment lineup based on risk tolerance of the individual investor.

#### **Plan Level**

We will establish the plan's needs and objectives through an initial meeting to collect data, review plan information, and assist in developing or updating the plan's provisions. Ongoing services may include recommendations regarding the selection and review of unaffiliated mutual funds and ETFs that, in the Owen LaRue's judgment, are suitable for plan assets to be invested. We periodically review the investment options selected and make recommendations to keep or replace plans investment options as appropriate. We perform a comprehensive review of Investment options and will assist with converting from incumbent service providers to

a new service provider if appropriate.

We will provide annual recommendations for the plan's investment allocation. Upon receipt we will review the investment options and provide positions for accounts in accordance with the management style chosen by the client. Analysis is provided for each fund held by the Plan. A report shows historical performance, asset allocation, and the performance of each fund, including its performance in comparison to its appropriate benchmark. The report also contains information regarding each Fund's managers, capitalization, investment style, expenses, portfolio composition and other qualitative factors relevant to the Fund's performance and adherence to the Plan's Investment Policy Statement. Clients are responsible for making the fund changes within the account.

### **Participant Level**

We can also be engaged to provide financial education to plan participants. The scope of education provided to participants will not constitute "investment advice" within the meaning of ERISA and participant education will relate to general principles for investing and information about the investment options currently in the plan. We may also participate in initial enrollment meetings and periodic workshops and enrollment meetings for new participants.

### **Disclosure Regarding Rollover Recommendations**

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are reviewed by our Firm's Chief Compliance Officer and remains available to address any questions that a client or prospective client has regarding the oversight.

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.



## **Wrap Fee Program**

We do not participate in a Wrap Fee Program.

## **Assets**

As of January 01, 2023, our firm has a total of \$272,897,161 under our management. There are \$219,901,163 under our firm's discretionary management and \$52,995,998 in assets where our firm provides advisory services to Employer Sponsored Retirement Plans under Section 3(21) of ERISA.

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## **Item 5 – Fees and Compensation**

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### **Investment Management Fees and Compensation**

We charge a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and other account-maintenance activities. Our custodian may charge transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed quarterly in advance. The initial fee will be based upon the account market value from date the account is accepted for management by execution of the advisory agreement by Owen LaRue or when the assets are transferred through the last day of the current quarter. Thereafter, the quarterly fee will be calculated on the market value on the last day of the quarter. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management, including securities, cash and money market balances.

Our maximum investment advisory fee is 2.50% or we may negotiate a fixed fee. The specific advisory fees are set forth in your Investment Advisory Agreement. Fees may vary based on the size of the account, the complexity of the portfolio, the extent of activity in the account, or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

We aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as "house-holding" portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of house-holding accounts for fee purposes looks at the overall family dynamic and relationship. With the permission of our client, we often will include multi-generational factors such as the account values of adult children and grandchildren as part of the family dynamic pricing.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory

fees. There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third-party billing software may report a slight difference in account valuation at quarter end compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

Either Owen LaRue or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and refunded to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Owen LaRue will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

### **Financial Planning Fees**

Our fees for financial planning services range from \$325 to \$15,000 or at an hourly rate of \$325.00 an hour. Fees are negotiable and may be waived in certain circumstances.

Financial Planning fees are billed with 50% upfront at the time of executing an Agreement with the remaining 50% due upon delivery of the financial plan. The client may cancel within five business days of signing the Investment Advisory Agreement without fee or penalty. If termination occurs thereafter, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$325.00.

When both investment management or plan implementation and financial planning services are offered, there is a conflict of interest since there is an incentive for us offering financial planning services to recommend products or services for which Owen LaRue receives compensation. However, Owen LaRue will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a financial-planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

### **Retirement Plan Advisory Services**

For Retirement Plan Advisory Services, we charge an annual fee as negotiated with the Plan Sponsor and disclosed in the Plan Sponsor Advisory Agreement. Our maximum investment advisory fee for Retirement Plans Services is 1.00%.

Plan advisory services begin with the effective date of the Agreement, which is the date you sign the Investment Advisory Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar month or quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter. For Plans where our fee is billed to the custodian, the fee is deducted directly from the participant accounts. Written authorization permitting us to be paid directly from the custodial account is outlined in the Investment Advisory Agreement.

Either party may terminate the Agreement at any time upon 30 days written notice. You are responsible to pay for services rendered until the termination of the agreement.

### **Third Party Management (“TPM Program” or “TPM”) Fees**

Fees and billing methods are outlined in each respective TPM’s Brochure and Advisory Contract. The Client pays an ongoing fee directly to the TPM based upon a percentage of your assets under management with respect to each TPM. You will receive disclosure of all fees by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM.

The minimum account size for will vary from TPM to TPM. All such minimums will be disclosed in the respective TPM’s Brochure. Our firm may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective TPMs’ disclosure documents. Pre-paid fees will be refunded in accordance with the respective TPM’s agreement and disclosure documents.

We may recommend you terminate the relationship with a TPM. Factors involved in the termination of a TPM may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPM, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the TPM on our list of approved TPMs.

Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through our firm or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered. Because TPMs pay different fees to the referring party, there is a conflict of interest when referring to various TPMs. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies in this regard to mitigate any conflicts of interest. You, the Client, always has right to decide to engage the TPM that our firm recommends to you.

### **Administrative Services Provided by Advyzon**

We have contracted with Advyzon to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Advyzon will have access to client accounts, but Advyzon will not serve as an investment advisor to our clients. Owen LaRue and Advyzon are non-affiliated companies. Advyzon charges our Firm an annual fee for each account administered by Advyzon. Please note that the fee charged to the client will not increase due to the annual fee Owen LaRue pays to Advyzon, the annual fee is paid

from the portion of the management fee retained by Owen LaRue.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to Owen LaRue, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities, transaction costs, custodial fees, fees charged by the Independent TPMs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Custodian’s practices are described at length in Item 12, below. Neither the Firm nor its supervised persons accept compensation for the sale of securities or other investment products.

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

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage side by side management.

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### **Item 7 – Types of Clients**

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We provide investment advice to individuals, high-net-worth individuals, trusts, foundations, estates, institutions, charitable organizations, and employee sponsored retirement plans. Our minimum initial household value is \$250,000; however, we may accept households and accounts for less than the minimum at our sole discretion.

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

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We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client’s investment objective. We do this by analyzing the various securities, investment strategies, and third-party management firms. The goal is to identify a client’s risk tolerance, and then find a manager with the maximum expected return for that level of risk. Our investment strategies and advice may vary depending upon each client’s specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We utilize both fundamental and technical analysis. We gather our information from a broad array of financial resources including financial newspapers, magazines, research prepared by others, corporate rating services, company press releases, annual reports, prospectuses and filings with the Securities and Exchange Commission.

We determine how to allocate assets among the various asset classes based on the investment strategy chosen, prevailing economic conditions and our determination of where we are in the economic cycle. Potential risks and opportunities are weighed to determine to what degree the portfolio should be invested.

From time-to-time, market conditions may cause your account to vary from the established allocation. To remain

consistent with the asset allocation guidelines established, your account is monitored on an ongoing basis and rebalanced to the original allocation, or if deemed beneficial, to a new allocation based on the then prevailing economic conditions and within the guidelines of the chosen investment strategy.

In addition to the rebalancing, overall market conditions and microeconomic factors that affect specific holdings in your account may trigger changes in allocation. Your account may also receive informal reviews more frequently.

### **Investment Philosophy**

Prior to making recommendations, we determine your financial status, needs, time horizon, investment objectives, risk tolerance, and tax status. From this, we create an investor profile and general asset allocation target. While we believe asset allocation is a key factor affecting long-term rate of return, we also believe fundamental research and securities selection are vital. To that end, we select from a narrow, refined list of institutional fund managers known for excellence in their respective disciplines. We focus primarily on the people, processes, research, consistency, and culture rather than simply recent “high performance” or “track record”.

As much as reasonably possible, we strive to:

- Diversify strategically with non-correlating assets.
- Balance between growth and value styles.
- Diversify globally.
- Rebalance as markets change.
- Manage for tax efficient returns wherever possible or as your goals and objectives dictate.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Owen LaRue is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

- **Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **Foreign Securities and Currency Risk** — Investments in international and emerging market securities

include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

- **Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.
- **Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.
- **Securities Lending Risk** — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **Performance of Underlying Managers** — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **Structured Notes** - Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates, or formulas. Many structured products include an embedded derivative component. Structured products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation. Investment in structured products includes significant risks, including valuation, liquidity, price, credit, and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency. Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are



legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

- **Liquidity Risk** - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.
- **Alternative Investments**- Our Firm's use of alternative assets is limited to publicly traded ETFs or '40 Act' funds with specific exposure in commodities, long/short strategies, real estate, and covered call writing. Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private equity, venture capital, and registered, publicly traded securities. Alternative investments are speculative, not suitable for all clients and intended for only experienced and sophisticated investors who are willing to bear the high risk of the investment, which can include: loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative investment practices; lack of liquidity in that there may be no secondary market for the fund and none expected to develop; volatility of returns; potential for restrictions on transferring interest in the fund; potential lack of diversification and resulting higher risk due to concentration of trading authority with a single advisor; absence of information regarding valuations and pricing; potential for delays in tax reporting; less regulation and typically higher fees than other investment options such as mutual funds. The SEC requires investors be accredited to invest in these more speculative alternative investments. Investing in a fund that concentrates its investments in a few holdings may involve heightened risk and result in greater price volatility.
- **Options and Other Derivatives Risk**- Client portfolios may purchase or sell options, warrants, equity-related swaps, or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the hedged portfolios correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether a portfolio realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.
- **Cybersecurity Risk**- In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses,

account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

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## **Item 9 – Disciplinary Information**

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Owen LaRue does not have any legal, financial or other “disciplinary” item to report.

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

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### **Insurance**

IARs of Owen LaRue may act as agents appointed with various life, disability or other insurance companies, and receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through Owen LaRue.

Clients should be aware that the ability to receive additional compensation by Owen LaRue and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Please refer to the 2B Supplemental Brochures for more information on each Investment Adviser Representative/management person. Owen LaRue endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees or Related Companies.
- we collect, maintain and document accurate, complete and relevant client back- ground information, including the client's financial goals, objectives and risk tolerance.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and,



- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

You are advised that if the other Investment Registered Advisor is selected, the fees may be higher or lower than the fees you may pay if the transactions were executed at other Firms. You should note, however, that you are under no obligation to engage IARs of Owen LaRue.

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

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Owen LaRue and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Owen LaRue, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

No director, officer or employee of Owen LaRue shall prefer his or her own interest to that of the advisory client. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Owen LaRue.

We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.

We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination.

## **Investment Policy**

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## **Item 12 – Brokerage Practices**

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### **Charles Schwab & Co., Inc. (Schwab)**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms. They provide access to institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab 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. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

- Access to a broad range of investment products
- Execution and custody of assets.
- Investment products which might not otherwise be available
- Lower minimum initial investments

Schwab offers products and services that do not directly benefit clients, but these products and services assist in managing and administering accounts, such as: Investment research, 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 Assist with back-office functions, recordkeeping, and client reporting.

Schwab offers other services intended to help us manage and further develop our business enterprise. These services include: Educational conferences and events, Consulting on technology, compliance, legal, and business needs, Publications and conferences on practice management and business succession, Access to employee benefits providers, human capital consultants, and insurance providers, Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide other benefits, such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits the firm because we do not have to produce or purchase them. The firm does not have to pay for Schwab's services. Schwab has also agreed to provide to The firm without a cost we would otherwise incur for technology, research, marketing, and compliance consulting products and services once the value of our clients' assets in accounts at Schwab reaches at set amount.

- These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.
- This creates an incentive to recommend that clients maintain accounts with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions.

This is a conflict of interest. In some cases, the services that Schwab pays for are provided by an affiliate or by another party that has some pecuniary, financial or other interests. This creates an additional conflict of interest. This conflict of interest is mitigated by the fiduciary duty to act in a best interests.

### **Aggregation and Allocation of Transactions**

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client investment advisory agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

If we do not receive a complete fill for an aggregated order, we will allocate the order on a pro-rata basis. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:

When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash.

With respect to sale allocations, allocations may be given to accounts low in cash.

We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates.

We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block.

If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed.

If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation.

We will document the reasons for any deviation from a pro-rata allocation.

## **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

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## **Item 13 – Review of Accounts**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

Our IARs will monitor client accounts on a quarterly basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, as- set allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

## **Statements and Reports**

Through an agreement with Orion, we will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter. Clients will also have access to daily portfolio reports through a client portal.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by our firm against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e., those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

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

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We may refer clients to a Third-Party Manager (TPM). You will receive disclosure of all fees paid to TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM.

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## **Item 15 - Custody**

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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 advisor has the ability to access or control client funds or securities, the investment

advisor is deemed to have custody and must ensure proper procedures are implemented.

Our firm is deemed to have custody of client funds and securities whenever we are given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

### **Deduction of Fees**

For accounts in which we are deemed to have custody where we have the authority to have fees deducted directly from client accounts, the firm has 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 qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact our firm or the qualified custodian preparing the statement.

Clients will provide written authorization permitting the fees to be paid directly from their account held by the qualified custodian. When fees are deducted from an account, our firm is responsible for calculating the fee and delivering instructions to the custodian. At the same time, we instruct the custodian to deduct fees from the client's account; we will send you an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

### **Standing Letters of Authorization ("SLOA")**

Our firm is deemed to have custody of clients' funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third- party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s), are delivered directly from the qualified custodian to each client or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from us. When you have questions about your account statements, you should contact us, your Advisor or the qualified custodian preparing the statement.

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## **Item 16 – Investment Discretion**

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For discretionary accounts, prior to engaging our firm to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable our firm, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority

will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by our firm for you are:

- For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
- Any limitations on this discretionary authority shall be included in Investment Advisory Agreement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.
- In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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**Item 17 – Voting Client Securities**

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We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 270-769-9995.

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**Item 18 – Financial Information**

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We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.