

## **RBA WEALTH MANAGEMENT, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of RBA Wealth Management, LLC (hereinafter “RBA Wealth Management” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, RBA Wealth Management is required to discuss any material changes that have been made to the brochure. Since the last annual amendment filed March 9, 2023, our firm has the following material changes to disclose:

Our firm has updated its investment strategies, please see Item 8 of this brochure for more information.

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## **Item 4. Advisory Business**

Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Delaware in 2017 and has been in business as an investment adviser since that time. Our firm is wholly owned by Matthew Bradley.

The purpose of this Brochure is to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

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

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RBA Wealth Management offers clients a broad range of financial planning and consulting services, which includes any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, certain of them can also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, RBA Wealth Management is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.,) and is expressly authorized to rely on such information. RBA Wealth Management recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage RBA Wealth Management or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by RBA Wealth Management under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising RBA Wealth Management's recommendations and/or services.

### **Wealth Management Services**

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RBA Wealth Management provides certain clients with wealth management services which includes a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

RBA Wealth Management primarily allocates client assets among various individual debt and equity securities, mutual funds, exchange-traded funds ("ETFs"), in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage RBA Wealth Management to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, RBA Wealth Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

RBA Wealth Management tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. RBA Wealth Management consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify RBA Wealth Management if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if RBA Wealth Management determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Sponsor and Manager of Wrap Program**

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RBA Wealth Management does not sponsor or provide a Wrap Program.

## **Retirement Plan Consulting Services**

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RBA Wealth Management provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and includes any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by RBA Wealth Management as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of RBA Wealth Management’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Regulatory Assets Under Management**

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Our firm manages \$326,714,516 on a discretionary basis and \$29,373,346 on a non-discretionary basis as of December 31, 2023.

## **Item 5. Fees and Compensation**

### **Financial Planning and Consulting Fees**

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RBA Wealth Management charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$1,500 to \$3,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, RBA Wealth Management may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and RBA Wealth Management requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered. Clients may terminate their agreement in writing any time before the delivery of a financial plan. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm calculated based on the hourly rate in effect.

### **Wealth Management Fees**

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RBA Wealth Management offers investment management services for an annual fee based on the amount of assets under the Firm's management.

This management fee varies in accordance with the following blended fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
First \$250,000	1.50%
Next \$250,000	1.20%
Above \$500,000	1.00%

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by RBA Wealth Management on the last day of the previous billing period. Unless otherwise noted in writing, our firm bills on cash. If assets in excess of 10% of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate. Either party may terminate this agreement for this service in writing at anytime.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), RBA Wealth Management may negotiate a fee rate that differs from the range set forth above.

### **Retirement Plan Consulting Fees**

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RBA Wealth Management charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered. The maximum flat fee charged will not exceed \$3,000. In those situations where RBA Wealth Management has agreed to manage a plan's assets, the Firm also charges an annual asset-based fee based upon the amount of assets to be managed.

### **Fee Discretion**

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RBA Wealth Management may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### **Additional Fees and Expenses**

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In addition to the advisory fees paid to RBA Wealth Management, clients 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 include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, margin costs, charges imposed directly by a mutual fund, index fund, or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees, fund management fees, distribution fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, mark-ups and mark-downs, spreads paid to market makers, 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. Our firm does not receive a portion of these fees. The Firm’s brokerage practices are described at length in Item 12, below. Charles Schwab & Co., Inc. (“Schwab”) does not charge transaction fees for U.S. listed equities and exchange traded funds.

### **Direct Fee Debit**

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Clients provide RBA Wealth Management with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to RBA Wealth Management. Alternatively, clients may elect to have RBA Wealth Management send a separate invoice for direct payment.

### **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to RBA Wealth Management’s right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients can withdraw account assets on notice to RBA Wealth Management, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. RBA Wealth Management may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to

transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred



sales charges) and/or tax ramifications.

## **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with RBA Wealth Management (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with RBA Wealth Management.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons are entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. RBA Wealth Management may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that RBA Wealth Management recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that RBA Wealth Management, in its sole discretion, deems appropriate, RBA Wealth Management provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, RBA Wealth Management offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

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

RBA Wealth Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

RBA Wealth Management offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

### **Methods of Analysis**

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RBA Wealth Management utilizes a combination of fundamental, cyclical and Behavioral finance methods of analysis while employing an asset allocation strategy based on a derivative of Modern Portfolio Theory (“MPT”).

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For RBA Wealth Management, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that RBA Wealth Management is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (*e.g.*, tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, RBA Wealth Management’s investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

## **Investment Strategies**

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RBA Wealth Management utilizes goal-based financial planning to help determine an asset allocation based upon a client’s specific financial situation and goals. From there, the Firm will put together a portfolio of individual stocks and bonds, as well as ETFs for the client.

RBA Wealth Management looks for stocks of companies that it believes are profitable, growing, have a good business model, and are priced reasonably. The Firm looks for the same attributes for bonds, except it does not put the same weighting on the company’s growth. While the Firm does its own research, it also

utilizes third party research to find companies that are well rated.

Our firm may allow or recommend that you pledge securities from your portfolio as collateral for a loan by using margin in an investment account. This is done by Pledge Asset Credit (PAL) lines through Schwab. Margin accounts and transactions are risky and not necessarily appropriate for every client.

The Firm actively manages and rebalances client portfolios. The holdings are reviewed frequently and asset allocation is reviewed at least annually for each client.

## **Risk of Loss**

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of RBA Wealth Management's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that RBA Wealth Management will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist.

Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may

have no way to dispose of such shares.

#### *Cash and Cash Equivalents*

Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Asset Management, Comprehensive Portfolio Management, and Portfolio Monitoring services, as applicable.

### **Item 9. Disciplinary Information**

RBA Wealth Management has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### **Registered Representatives of a Broker-Dealer**

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Certain of the Firm's Supervised Persons are registered representatives of PKS and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5. To mitigate any potential conflicts of interests as results of receiving a commission to recommend certain products, our firm will always act in the client's best interest.

#### **Licensed Insurance Agents**

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Certain of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that RBA Wealth Management recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Item 11. Code of Ethics**

RBA Wealth Management has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. RBA Wealth Management's Code of Ethics contains written policies reasonably designed to prevent certain unlawful

practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of RBA Wealth Management's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below. When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact RBA Wealth Management to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

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RBA Wealth Management recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client,

including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. RBA Wealth Management is independently owned and operated and not affiliated with Schwab. Schwab provides RBA Wealth Management with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which RBA Wealth Management considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Schwab has also agreed to reimburse clients for exit fees associated with moving accounts to Schwab. The reimbursement is only available up to a certain amount for all of the Firm's clients over a twelve month period. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by RBA Wealth Management's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where RBA Wealth Management determines that the commissions are reasonable in relation to the value of the brokerage and research services received. 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 Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. RBA Wealth Management seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist RBA Wealth Management in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because RBA Wealth Management does not have to produce or pay for the products or services. RBA Wealth Management periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

#### **Software and Support Provided by Financial Institutions**

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RBA Wealth Management receives without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow RBA Wealth Management to better monitor client accounts maintained at Schwab and otherwise conduct its business. RBA Wealth Management receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits

RBA Wealth Management, but not its clients directly. Clients should be aware that RBA Wealth Management's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, RBA Wealth Management endeavors at all times to put the interests of its clients first and has determined that the

recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, RBA Wealth Management receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and other services. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as they maintain a certain amount of clients' assets at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of RBA Wealth Management by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist RBA Wealth Management in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to RBA Wealth Management other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and

business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing

these services to the Firm. While, as a fiduciary, RBA Wealth Management endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

### **Brokerage for Client Referrals**

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RBA Wealth Management does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

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The client may direct RBA Wealth Management in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by RBA Wealth Management (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, RBA Wealth Management may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Trade Aggregation**

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Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **Item 13. Review of Accounts**

### **Account Reviews**

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RBA Wealth Management monitors client portfolios on a continuous and ongoing basis while regular



account reviews are conducted on at least a quarterly basis. Such reviews are conducted by Matthew Bradley and Thomas Hoffman. All investment advisory clients are encouraged to discuss their needs, goals and objectives with RBA Wealth Management and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from RBA Wealth Management and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from RBA Wealth Management or an outside service provider.

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

### **Client Referrals**

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In accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940, our firm does not provide cash or non- cash compensation directly or indirectly to unaffiliated persons for testimonials or endorsements (which include client referrals).

## **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize RBA Wealth Management to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to RBA Wealth Management.

In addition, as discussed in Item 13, RBA Wealth Management will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from RBA Wealth Management.

On February 21, 2017, the SEC issued a no-action letter ("Letter") with respect to Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted

the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16. Investment Discretion**

RBA Wealth Management is given the authority to exercise discretion on behalf of clients. RBA Wealth Management is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. RBA Wealth Management is given this authority through a power-of-attorney included in the agreement between RBA Wealth Management and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). RBA Wealth Management takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## **Item 17. Voting Client Securities**

Our firm votes client proxies when authorized to do so in writing by a client. Our firm understands our duty to vote client proxies and to do so in the best interest of our clients. Furthermore, it is understood that any material conflicts between our interests and those of our clients with regard to proxy voting must be resolved before proxies are voted. Our firm subscribes to a proxy monitor and voting agent service offered by Broadridge Investor Communication Solutions, Inc. ("Broadridge"), which includes access to proxy

analyses with research and vote recommendations from Glass, Lewis & Co. (“Glass Lewis”). Our firm will generally vote in accordance with the recommendations of Glass Lewis, but may vote in a different fashion on particular votes if our firm determines that such actions are in the best interest of our clients. Where applicable, our firm will consider any specific voting guidelines designated in writing by a client. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting Matthew Bradley.

## **Item 18. Financial Information**

RBA Wealth Management is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Our firm has received financial assistance through the U.S. Small Business Administration’s (“SBA”) Economic Injury Loan (“EIL”) program. The EIL program is intended to support small businesses in response to the COVID-19 pandemic by providing low-interest loans and grants for business essential purposes. Although our firm has directly received funding from an outside entity, clients are not obligated to partner with any SBA lenders nor is our firm directly affiliated with the SBA outside of this unique situation. In addition, the funding is meant to provide relief to our firm’s current operations and are not intended for soliciting business.