

ITEM 1 – COVER PAGE

Part 2A Brochure

Consilium, LLC

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March 5, 2024

Consilium, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission ("SEC") or any state securities authority does not imply a certain level of skill or training. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Consilium, LLC is 304503.

This Brochure provides information about the qualifications and business practices of Consilium, LLC. If you have any questions about the contents of this Brochure, please contact us at 303-956-7074 or [david.halseth@consilium-llc.net](mailto:david.halseth@consilium-llc.net). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Consilium, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 – MATERIAL CHANGES

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).

There are no material changes to report since the last annual update of this Brochure filed on February 24, 2023.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our CCO, David Halseth at 303-956-7074 or [david.halseth@consilium-llc.net](mailto:david.halseth@consilium-llc.net).

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

This Disclosure document is being offered to you by Consilium, LLC (“Consilium”) in connection with the investment advisory services we provide. It discloses information about the services that we provide and the manner in which those services are made available to you, the client.

Consilium was established and became a Registered Investment Adviser by David Halseth in 2019. David Halseth is the owner of the firm. Consilium’s lines of business are asset management, retirement plan consulting and financial concierge for individual and institutional accounts. Our clients receive advice specific to their guidelines and objectives.

### Investment Management and Supervision Services

We offer discretionary investment management and investment supervisory services for a fee, typically based on a percentage of assets under management or flat fee.

We determine a client’s portfolio composition primarily based on its needs, tolerance for risk, any applicable restrictions and its time horizon. Such information enables us to determine the portfolio best suited for its investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation 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 portfolio due diligence and management services. This approach requires us to review your portfolio on a continuing basis.

We will rebalance the portfolio, as we deem appropriate, to meet its financial objectives. For discretionary accounts, we will trade portfolios and rebalance them on a discretionary basis based on your investment policy, our market views and its objectives.

In all cases, clientele has a direct and beneficial interest in the securities under management, 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 authorization.

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

### Retirement Plan Consulting Services

The Retirement Plan services include some or all the following, depending upon the needs of the client and the elections made by the client when executing an Investment Advisory Agreement:

1. *Review or Development of an Investment Policy Statement*
2. *Perform Due Diligence on Money Managers*
3. *Provide Initial Investment and Management Selection* - Consilium typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
4. *Provide ongoing Performance Evaluation and Due Diligence of Money Managers*
5. *Make Investment Recommendations*

6. *Retirement Plan Services* - Consilium will provide services that may include such items as a cost analysis, benchmarking, vendor RFI/RFP, fee negotiations, participant education and advice, etc.

#### Sub-Advisory Services to Collective Trust Funds and Unitized Managed Accounts

In addition to the services described above, we may offer sub-advisory services to certain collective trust funds and unitized managed accounts. Information concerning these funds and investments, including a description of the services to be provided and advisory fees payable to us would be contained in each fund's prospectus or investment's offering documents.

#### Wealth and Financial Concierge Services

These services provided by Consilium includes the analysis of a client's situation and assistance in identifying and implementing appropriate financial planning and other services to help them meet their specific financial objectives. Such services include financial analysis and planning recommendations. We also work with a limited number of professional to assist with such items as estate and tax planning, gifting and other family office services.

#### Institutional Intelligent Portfolios® Platform ("IIPP")

We offer an automated investment program, otherwise known as a robo-advisor, through which clients are invested in a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange-traded funds ("ETFs") and a cash allocation. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("IIPP"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the automated investment program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the automated investment program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the automated investment program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the IIPP, which consists of technology and related trading and account management services for the automated investment program. The IIPP enables us to make the automated investment program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio. As the listed Adviser on the account, our Firm has the ability to select a portfolio that may be more suited to the Client's objective based on the research and information regarding the Client's financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

#### Consulting Services

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas such as private market investment, real estate, and other topics. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice. In these cases, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations.

If your needs include brokerage and/or other financial services, we will recommend the use of one of several brokers, banks, custodians, insurance companies or other financial professionals.

#### Custodial Services and Accounts

If your needs include brokerage and/or other financial services, we may recommend the use of one of several brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). You must independently evaluate these Firms before opening an account or transacting business, and have the right to effect business through any firm you choose. You are under no obligation to follow the consulting advice that we provide.

#### Wrap Fee Programs

We do not place any client assets into a wrap fee program.

#### Assets

As of December 31, 2023, Consilium had the following client assets under management:

Discretionary	\$33,090,000
Non-discretionary	<u>138,717,000</u>
Total	\$171,807,000

### ITEM 5 - FEES AND COMPENSATION

#### Investment Management Fees and Compensation

Consilium charges a fee as compensation for providing continuous Investment Advisory services on accounts. These services include discretionary and non-discretionary advisory and consulting services, and other account-maintenance activities. Our custodian may charge custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

In addition, some mutual fund assets deposited in accounts may have been subject to other mutual fund annual management and administrative fees as described in the funds' prospectuses. These fees are independent of our fees and should be disclosed by the custodian or contained in each fund's prospectus. Clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources.

The fees for portfolio management are typically based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly in arrears. The initial fee will be based upon the date the account is accepted for management by execution of the advisory agreement by Consilium or when the assets are transferred through the last day of the current calendar quarter. Thereafter, the fee will be based at each previous quarter's last business day. 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 1.0%. Fees may be subject to a minimum of \$5,000 annually or as negotiated with client. The specific advisory fees are set forth in the Investment Advisory Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and our clients. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

At our discretion, we will aggregate asset amounts in accounts from the same relationship together to determine the advisory fee for all accounts. This consolidation practice is designed to allow clients the benefit of an increased asset total, which could potentially cause accounts to be assessed a lower advisory fee based on the asset levels available in our fee schedule

The independent qualified custodian holding client funds and securities will debit the account directly for the advisory fee and pay that fee to us. Clients provide written authorization permitting the fees to be paid directly from the account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to the client indicating all the amounts deducted from the account including our advisory fees. See Item 15 for details. At our discretion, clients may pay the advisory fees directly either by check or some other electronic means. Clients are encouraged to review your account statements for accuracy.

Either Consilium or clientele 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 time period in which the cancellation notice was given and refunded. Upon termination, clients 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.

#### Retirement Plan Services

We charge an annual fee as negotiated with the client and disclosed in the Investment Advisory Agreement for our Retirement Plans Advisory Services. The compensation method is explained and negotiated in advance before any services are rendered. Fees may vary based on the extent and complexity of the services. Fees can range from \$750 to \$100,000 or from 0.25% to 1.00% annually. Fees may be subject to a minimum of \$5,000 or as negotiated with client. You will be billed as services are rendered. Plan advisory services begin with the effective date of the Agreement, which is the date the Investment Advisory Agreement is executed. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Our fee is billed in arrears on the last business day of the calendar quarter. Invoices are sent out each quarter to either the client or the custodian of the Plan. 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. Upon termination, fees will be prorated to the date of termination.

We do not expect to receive any other compensation, direct or indirect, for our Services. In the case that we do receive other compensation for such Services, we will (i) offset that compensation against our stated fees, and (ii) will disclose to the Client the amount of such compensation, the Services rendered for such compensation, the payer of such compensation and a description of Adviser's arrangement with the payer.

#### Sub-Advisory Services for Collective Trust Investments

If applicable, the fees for managing the collective trusts are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly in arrears. Our fees range from 0.15% to 0.25% annually. The specific advisory fees are set forth in the Agreement with the CIT provider. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination.

In most cases, fees will be deducted from the CIT accounts and then paid to us for services rendered during the preceding month. If for any calendar quarter, the Client fees fall below the minimum fee above (typically due to low asset balance in the CTFs), then the Client is responsible

for paying us the difference between the minimum fee amount and the amount already paid to us.

#### Financial Planning

Depending upon the complexity of the situation and the needs of the client, the fee range for creating client financial plans is \$1,000 to \$5,000. A client pays in two installments with 50% in advance and due at signing of the agreement and the remaining balance paid upon completion of the plan. Clients may terminate their contracts without penalty within five business days of signing the planning contract.

#### Institutional Intelligent Portfolios® Platform ("IIPP")

We charge clients an advisory fee for our services as described above. Our advisory fees are not set or supervised by Charles Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the automated investment program. Charles Schwab does receive other revenues in connection with the automated investment program.

Our Firm may pay Schwab Performance Technologies ("SPT") an annual licensing fee on the value of our clients' assets in the automated investment program. This fee does not result in any additional charge to the client's advisory fee. This creates a conflict of interest because there is an incentive to not use the IIPP and avoid paying additional fees associated with the use of IIPP. We recognize the fiduciary responsibility to always act in the best interest of our client.

#### Consulting

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above and based on our hourly rate.

#### Administrative Services Provided by Portfolio Management Software Vendor

We have contracted with a portfolio management software vendor (PMSV) 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, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, PMSV will have access to client information, but PMSV will not serve as an investment advisor to our clients. Consilium and PMSV are non-affiliated companies. PMSV charges our firm an annual fee for each account administered by it. The annual fee is paid from the portion of the management fee retained by us.

#### Additional Fees and Expenses

In addition to the advisory fees paid to our Firm, 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 custodial fees, charges imposed 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), transaction fees, deferred sales charges, SEC Fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below.

Please refer to the "Brokerage Practices" below for discussion of Consilium's brokerage practices.



## ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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). Our advisory-fee compensation is charged only as disclosed above in Fees and Compensation.

## ITEM 7 - TYPES OF CLIENTS

We provide investment advice to individuals, high-net-worth individuals, businesses, non-profits, governmental, foundations, trusts and estates. Our minimum initial account value is \$250,000; however, we may accept accounts for less than the minimum.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The method of analysis we utilize is fact-based research. We gather our information for investment purposes from electronic sources such as financial periodicals, research prepared by others, rating services, annual reports, prospectuses and on.

We determine how to allocate assets among the various asset classes, sub-asset classes, strategies and specialists managers based on the investment strategy chosen, prevailing economic and market conditions, and other determinations. Potential risks and opportunities are weighed to determine how much exposure, if any, the model will have to each asset class.

### Investment Philosophy

Consilium's investment philosophy is rooted in financial academia, including modern portfolio theory, and based on fundamental principles such as the efficient market hypothesis, asset allocation and exposure to various factors as the key determinants of portfolio risk and return.

- Low Cost
- Manager of managers
- Enhanced diversification – dynamic core & satellite process
- Broad asset class, sub-asset class and limited manager exposure

We offer strategies designed for various clientele types and aligned with each client's risk tolerance and stated investment objectives. We believe each asset owned by a client should have a certain purpose that is complementary to the other assets in a portfolio. We believe in oversight; monitored, and managed accounts; and low internal fees. We predominately use specialist money managers spread across broad asset classes and sub-asset classes. In essence, we believe in maintaining all-weather, dynamic, portfolios built around true diversification.

### Investment Strategies

We use the following strategy(ies) in managing client's accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

*Total Return Strategies:* Rather than focusing primarily on security selection, we attempt to identify an appropriate ratio of asset classes such as equities, fixed-income, alternatives and cash equivalents that are suitable to the client's investment goals and risk tolerance. This dynamic asset and sub-asset allocation is implemented via specialist money managers using open-end, interval, and exchange traded funds. In addition we employ other vehicles as well within the public and private markets.

*Short Horizon Strategies:* This Portfolio is for short to intermediate term needs and is managed for significant withdrawal events from a client's "cash" resources. I.e. large capital expenditures and acquisitions. These strategies are also implemented via specialist money managers using open-end and exchange traded funds. In addition, we employ other vehicles as well within the public and private markets.

We will advise on other products which we deem appropriate in order to address the individualized needs, goals and objectives of the client, included but not limited to, private placements for certain qualified investors.

#### Risk of Loss

The securities in Consilium client portfolios typically include exchange-traded funds (ETFs), mutual funds, interval funds, and other assets, all of which are subject to some or all of the following risk factors (please note other types of risk may also be prevalent in a portfolio):

- *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.
- *Derivative Risk* — Derivatives are securities, such as futures contracts, whose value is derived from that of other securities or indices. Derivatives can be used for hedging (attempting to reduce risk by offsetting one investment position with another) or non-hedging purposes. Hedging with derivatives may increase expenses, and there is no guarantee that a hedging strategy will achieve the desired results.
- *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 models. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- *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* - Investments classified as "alternative investments" may include a broad range of underlying assets including, but not limited to, hedge funds, private

equity, private debt, direct real estate, 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.

### ITEM 9 - DISCIPLINARY INFORMATION

Consilium does not have any legal, financial or other “disciplinary” items to report.

### ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

#### Dually Registered Investment Advisors Representatives (“IAR”)

Consilium does not have and dually registered investment advisor representative.

### ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Consilium and persons associated with us are allowed to invest for their own accounts or to have a financial interest 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 the potential for a conflict of interest.

We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential 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 Consilium, 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:

1. A director, officer or employee of Consilium shall not buy or sell any securities for their

personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Consilium shall prefer his or her own interest to that of the advisory client.

2. We maintain a list of all securities holdings and 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 Consilium.
3. 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.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination. 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.

## ITEM 12 - BROKERAGE PRACTICES

### Investment Management Services

Clients must maintain assets in an account at a "qualified custodian" ("Custodian"), generally a broker-dealer or bank. We are independently owned and operated, and unaffiliated with any custodian. The Custodian will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we recommend that clients use a Custodian, client must decide whether to do so and open accounts with the Custodian by entering into account agreements directly with them. We will open accounts with the Custodian on the client's behalf and will notify the client in writing of the custodian's name, address, and the title of the account, promptly when the account is opened and following any changes to this information. The accounts will always be held in the name of the client and never in Consilium's name. Even though clients maintain accounts at the Custodian, we can still use other brokers to execute trades for client accounts (see Client Brokerage and Custody Costs, below).

### How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], private investments, etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices

8. Reputation, financial strength, and stability
9. Prior service to Consilium and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from the Custodian)

#### Client Brokerage and Custody Costs

For our clients' accounts that the Custodian maintains, the Custodian generally does not charge separately for custody services. However, the Custodian receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Custodian accounts. In addition to commissions, the Custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Custodian account. These fees are in addition to the ticket charges or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have the Custodian execute most trades for client accounts. We have determined that having the Custodian execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

#### Products and Services Available to Us from Custodian

The Custodian can provide Consilium and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to the Custodian retail customers. The Custodian also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. The Custodian's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us.

Following is a more detailed description of Custodian's support services:

#### Services That Benefit Our Clients

Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The Custodian's services described in this paragraph generally benefit our clients and their accounts.

#### Services That May Not Directly Benefit Our Clients

The Custodian also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the Custodian. In addition to investment research, Custodian also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Us

The Custodian also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

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

### Our Interest in Custodian's Services

The availability of these services from the Custodian benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to the Custodian in trading commissions.

Some of the products, services and other benefits provided by the Custodian benefit Consilium and may not benefit our client accounts. Our recommendation or requirement that you place assets in the Custodian's custody may be based in part on benefits Custodian provides to us, or our agreement to maintain certain Assets Under Management at Custodian, and not solely on the nature, cost or quality of custody and execution services provided by Custodian.

We place trades for our clients' accounts subject to our duty to seek best execution and its other fiduciary duties.

### Brokerage for Client Referrals

Consilium does not receive client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

### Institutional Intelligent Portfolios® Platform ("IIPP")

Client accounts enrolled in the automated investment program are maintained at, and receive the brokerage services of, CS&Co., a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co. as custodian/broker to enroll in the automated investment program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through the automated investment program. CS&Co. may aggregate purchase and sale orders for ETFs across accounts enrolled in the automated investment program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the IIPP.

The availability of services from CS&Co. benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co. in trading commissions or assets in custody. With respect to the automated investment program, as described above under Item 4 Advisory Business, we do not pay SPT fees for the IIPP so long as we maintain \$100 Million in client assets in accounts at CS&Co. that are not enrolled in the automated investment program. In light of our arrangements with Schwab, we may have an incentive to recommend that our clients maintain

their accounts with CS&Co. based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a conflict of interest. We believe, however, that our selection of CS&Co. as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of CS&Co.'s services and not Schwab's services that benefit only us. We have adopted policies and procedures designed to ensure that our recommendation of Schwab's services is appropriate for each of our clients.

#### 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. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client's unique circumstances. 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.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

#### Trade Errors

We have implemented procedures designed to minimize trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to attempt 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 situations where the client does not cause the trade error, we will attempt to make the client whole. If the trade error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for the trade error. We will never benefit or profit from trade errors.

We do not select or recommend broker/dealers based upon receiving client referrals from a broker/dealer or third party. We do not routinely recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we typically do not permit you to direct brokerage.

## ITEM 13 - REVIEW OF ACCOUNTS

### Account Reviews and Reviewers – Investment Supervisory Services

The portfolio(s) within the investment supervisory services are regularly monitored. These reviews will be made by the advisor as a normal course of their job function. An annual review is usually conducted in person, webinar or by telephone with clientele.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches client objectives, time horizon and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as client circumstances, or the market or economic environment. Clients are urged to notify us of any changes in their circumstances.

### Statements and Reports

Consilium will have the ability to provide clients with Performance reports. Reports may also be provided at client meetings.

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 Consilium against the account statements you receive directly from your account custodian.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

As disclosed under Brokerage Practices, we participate in various institutional customer programs and we may recommend a Custodian to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors.



Some of the products and services made available by a particular Custodian may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account. The benefits received by us or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to particular Custodian. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of a Custodian for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or retirement plan products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

Consilium, LLC may provide discretionary investment advisory services to the trust company with respect to the management of the Collective Trusts.

IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty. However, you should be aware that the receipt of additional compensation through expense reimbursements creates a conflict of interest that may impact the judgment of the IARs when making advisory recommendations.

We do not directly or indirectly compensate any person who is not a supervised person for client referrals.

### ITEM 15 - CUSTODY

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment 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.

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

For accounts in which Consilium is deemed to have custody, 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 Consilium. When you have questions about your account statements, you should contact Consilium or the qualified custodian preparing the statement.

When fees are deducted from an account, Consilium is responsible for calculating the fee and delivering instructions to the custodian. At the same time Consilium instructs the custodian to deduct fees from the client's account; Consilium will send you a notification 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.

### ITEM 16 - INVESTMENT DISCRETION

Prior to engaging Consilium to provide investment advisory services, you will enter into a written Agreement with us granting the firm the authority to supervise and direct, on a continual 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 so as to authorize and enable Consilium, 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 stocks, bonds or other securities and assets 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 Consilium for you are:

1. 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, as well as the broker/dealer to be used and the commission rates to be paid.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from investment firms and broker-dealers will be used to provide services to all our clients.

### ITEM 17 - VOTING YOUR SECURITIES

We will not vote proxies under our limited discretionary authority. 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.

### ITEM 18 - FINANCIAL INFORMATION

This item is not applicable to this brochure. 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.