

## Item 1: Cover Page

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# Stokes Family Office LLC

## Form ADV Part 2A Brochure

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

Additional information about Stokes Family Office LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 300899.

## Item 2: Material Changes

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In this Item, Stokes Family Office LLC is required to identify and discuss material changes since the last time this brochure was updated. Since the date of the initial application, Stokes Family Office LLC now has assets under management to report in Item 4 below.

## Item 3: Table of Contents

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

## Item 4: Advisory Business

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Stokes Family Office LLC (“Adviser,” the “Firm,” or “Stokes Family Office”) is an investment adviser founded in 2019, registered with the U.S. Securities and Exchange Commission (“SEC”), and is principally owned by David Stokes, Gregory Stokes, and Douglas Stokes through David C. Stokes, L.L.C.

Stokes Family Office is an independent, family-owned, multi-family office. The Firm offers a range of services, which include Family Office Services, Wealth Management Services, and Retirement Plan Consulting Services. Prior to Stokes Family Office rendering any of the foregoing services, clients are required to enter into one or more written agreements with Stokes

Family Office setting forth the relevant terms and conditions of the relationship (the “Advisory Agreement”).

While this brochure generally describes the business of Stokes Family Office, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Stokes Family Office’s behalf and is subject to the Firm’s supervision or control.

### **Family Office Services**

Stokes Family Office offers clients a broad range of Family Office Services -- as further described below -- to families, individuals, and institutions.

Stokes Family Office provides Family Office Services, which include advice pertaining to: asset allocation, portfolio construction, financial planning, family governance and succession planning, investment manager selection, estate planning, insurance (life, health, disability) consulting, cashflow forecasting, and charitable gifting strategies. Additionally, the Firm provides its clients with consolidated asset and investment portfolio reporting.

Stokes Family Office provides counsel to clients in tax and estate planning decisions – primarily related to our clients achieving their investment and planning objectives in the most tax-efficient manner possible. In doing so, the Firm does not act as a CPA or attorney in the implementation or oversight of a tax or estate plan or strategy.

Each of our clients is served by the entire Stokes Family Office team, led by a designated Advisor, and is supported by our in-house financial analysts and operations team. If a Family Office client retains Stokes Family Office to manage his/her investment portfolio on a discretionary or non-discretionary basis, such client will need to separately elect to receive Wealth Management Services as described below.

While each of these services is available on a stand-alone basis, certain Family Office Services may 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, Stokes Family Office 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. 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 Stokes Family Office’s recommendations and/or services.

### **Wealth Management Services**

As part of its Wealth Management Services, Stokes Family Office manages client investment portfolios on a discretionary or non-discretionary basis.

Stokes Family Office primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), exchange-traded notes (“ETNs”), and individual debt and equity

securities and options in accordance with each client's stated investment objectives. When appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Stokes Family Office to manage and/or advise on certain investment products that are not maintained at its 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, Stokes Family Office directs or recommends the allocation of client assets among the various investment options available with the relevant provider. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Stokes Family Office 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. Stokes Family Office 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 Stokes Family Office if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Stokes Family Office 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.

*Retirement Rollovers-Potential for Conflict of Interest:*

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- i. Leave the money in the former employer's plan, if permitted;
- ii. Rollover the assets to the new employer's plan, if one is available and rollovers are permitted;
- iii. Rollover to an Individual Retirement Account ("IRA"); or
- iv. Cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

If Stokes Family Office recommends that a client rollover his/her retirement plan assets into an account to be managed by the Firm, such a recommendation creates a conflict of interest. Stokes Family Office may earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to rollover retirement plan assets into an account managed by Stokes Family Office. The Firm's Chief Compliance Officer, Greg Stokes, remains available to address any questions that a client or prospective client may have regarding the potential for conflicts of interest presented by such rollover recommendation.

Adviser does not participate in any wrap fee programs.

As of July 18, 2019, Adviser manages or advises on a total of approximately \$1.17 billion of client assets. This includes total discretionary regulatory assets under management of approximately \$997,129,114 and non-discretionary assets under advisement of approximately \$120,096,526.

### **Retirement Plan Consulting Services**

Stokes Family Office, through its Stokes Institutional division, 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 may include 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 signed by the plan sponsor, certain of the foregoing services are provided by Stokes Family Office, through its Stokes Institutional division, 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 Stokes Family Office’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Item 5: Fees and Compensation**

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Stokes Family Office is compensated for its services by fees based upon a client’s assets under the Firm’s management or advisement. In limited circumstances, the Firm will be compensated by fixed or hourly fees.

### **Wealth Management Fees**

Stokes Family Office offers Wealth Management Services for an annual fee based on the amount of the client’s assets under the Firm’s management or advisement. This management fee varies depending upon the size and composition of a client’s portfolio, management services provided, as well as level of administration required. These fees typically range from 0.25% to 1.50% of total assets under management or advisement and generally decrease as the percentage of assets under management or advisement increases.

The Firm’s standard tiered fee schedule is included below and is negotiable on a limited basis depending on the nature of the Wealth Management Services to be rendered and the complexity of the client’s financial situation. Fees may be higher or lower than the fee schedule set forth below depending on specific circumstances.

<b>Client Assets Under Management or Advisement</b>	<b>Annual Fee Percentage (paid quarterly)</b>
From \$0 to \$1,000,000	1.00%
From \$1,000,001 to \$5,000,000	0.75%
From \$5,000,001 and above	0.50%

The annual Wealth Management Fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Stokes Family Office on the last day of the previous billing period. Margin or other portfolio loan debit balances, if applicable, do not reduce the billable value of the account. Depending on the nature of services to be provided, the Firm may allow clients within the same household to aggregate account values for the purpose of reaching fee breakpoints. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not 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 refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Stokes Family Office may negotiate a fee rate that differs from the range set forth above which depends on the responsibilities taken by the Firm to manage or simply monitor the assets.

### **Family Office Fees**

Stokes Family Office charges fixed, hourly or asset-based fees for providing Family Office Services.

Fees may be applied on a standalone basis, or in conjunction with Wealth Management Fees. If a client also engages the Firm for Wealth Management Services, Stokes Family Office may waive all or a portion of its Family Office Fees based upon the amount paid for Wealth Management Services.

Fees are negotiable, and each client's specific family office fee schedule is included as part of the investment advisory agreement signed by Stokes Family Office and the client. Annual asset-based Family Office Fees are generally 0.10%. Fixed fees generally range from \$500 to \$100,000, depending upon the scope and complexity of the services and the professional rendering of the family office services. If the client elects to receive Family Office Services on an hourly basis, the Firm's hourly rates range from \$250 to \$500 per hour.

The annual asset-based Family Office Fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Stokes Family Office on the last day of the previous billing period. Margin or other portfolio loan debit balances, if applicable, do not reduce the billable value of the account. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not 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 refunded to the client, as appropriate.

The terms and conditions of the family office engagement are set forth in the advisory agreement signed by the client, and Stokes Family Office generally requires one-half of the fixed or hourly fee (estimated hourly or fixed) payable upon execution of the advisory agreement. The outstanding balance is generally due upon delivery of a 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.

### **Retirement Plan Consulting Fees**

Stokes Family Office, through its Stokes Institutional division, may charge a fixed annual fee to provide clients with retirement plan consulting and ongoing fiduciary advice or investment management. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the advisory agreement. These annual fixed fees vary, based on the scope of the services to be rendered, and may range up to \$100,000 per year.

In those situations where Stokes Family Office, through its Stokes Institutional division, has agreed to manage/advise plan's assets on an asset-based fee basis, the Firm may alternatively charge an annual asset-based fee between 0.10% and 1.50%, depending upon the amount of assets to be managed. As noted above, Stokes Family Office typically assesses advisory fees in advance on a quarterly basis. However, the annual asset-based fee for retirement plan advisory and consulting work through Stokes Institutional may be charged in a different manner, *i.e.*, in arrears, and/or on a monthly basis as opposed to quarterly basis, depending on the retirement plan custodian selected. Furthermore, under certain circumstances, Stokes Institutional may agree to place an annual dollar ceiling/cap on its asset-based fees.

### **Fee Discretion**

Stokes Family Office may, in its sole discretion, negotiate to charge a lesser or greater 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 relationships, account retention, level complexity of services provided, and pro bono activities.

### **Additional Fees and Expenses**

In addition to the advisory fees paid to Stokes Family Office, clients will also typically incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), odd-lot differentials, transfer taxes, wire transfer fees, electronic fund fees, securities transactions mark-ups and mark-downs, spreads paid to market makers, check-writing fees, early-redemption charges, certain deferred sales charges on previously-purchased mutual funds, IRA and qualified retirement plan fees, and other fees and taxes on brokerage accounts and securities transactions.

These additional charges are separate and apart from the fees charged by the Firm. The Firm's brokerage practices are described at length in Item 12, below.

Neither the Firm nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

#### **Direct Fee Debit**

Clients generally provide Stokes Family Office with the authority to directly debit their accounts for payment of the fees described above. The Financial Institutions that act as the qualified custodians 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 Stokes Family Office.

#### **Use of Margin or Other Portfolio Loans**

In limited situations when appropriate for the client, Stokes Family Office will be authorized to use margin or other portfolio loans in the management of the client's investment portfolio. In such cases, the Firm's fees will be charged on the portfolio's marketable securities, and not the account net of margin or other portfolio loans.

#### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to Stokes Family Office's right to terminate an account. Additions may 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 may withdraw account assets at any time, preferably on notice to Stokes Family Office, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Stokes Family Office 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.

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

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Stokes Family Office 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**

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The Firm's clients typically include high net worth individuals and families, senior corporate executives, owners of closely held businesses, professionals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations.

#### **Minimum Account Requirements**

In general, we require a minimum of \$1,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum size depending on various circumstances including,



but not limited to – anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.

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

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### **Methods of Analysis**

The Firm's investment philosophy is long-term in nature, based on research, principles and experience rather than short-term trends. The Firm focuses on asset allocation investment strategies, all based on our clients' specific investment objectives, to optimize the risk and reward of a portfolio. An analysis of the returns, volatility and correlations of different asset classes is conducted in order to create portfolios tailored to each client's investment objectives, investment time horizon, and risk tolerance. Investment research is performed through the use of professional and public databases, paid subscriptions, financial publications and investment conferences.

### **Portfolio Activity**

As part of its investment advisory services, Stokes Family Office will review client portfolios on an ongoing basis. Based upon this review, there may be extended periods of time when the Firm determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Firm will be profitable or equal any specific performance level(s).

### **Cash Positions**

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Firm may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the advisory fee.

### **Investment Strategies**

Stokes Family Office manages client assets on a discretionary or non-discretionary basis. The Firm primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), and individual debt and equity securities in accordance with their stated investment objectives.

Stokes Family Office tailors its advisory services to the individual needs of clients. The Firm consults with clients initially and on an ongoing basis to develop specific approaches to their investment needs. Investment portfolios are constructed with the client's objectives, risk tolerance and time horizon in mind. Stokes Family Office strives to determine the appropriate level of investment risk in a client's portfolio; however, investing entails the risk of loss, and clients should be prepared to bear such loss.

## **Risk of Loss**

### *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 Stokes Family Office'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 Stokes Family Office will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds, ETFs and ETNs*

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 security 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.

ETNs are an unsecured, unsubordinated debt instrument of the issuing financial institution and bear the full credit risk of the issuer in addition to the risks of the underlying investments. Although ETNs are designed to track the performance of an underlying group of investments, their performance may differ significantly. Similar to ETFs, ETNs can be bought and sold throughout the day, and their price can fluctuate throughout the day. ETNs may have a maturity date, subject to the instruction in the prospectus.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## **Item 9: Disciplinary Information**

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Stokes Family Office has not been involved in any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of its advisory business or the integrity of its management.

## **Item 10: Other Financial Industry Activities & Affiliations**

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### **Licensed Insurance Agents**

A number of the Firm’s Supervised Persons are licensed insurance agents and from time to time will offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Stokes Family Office 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. Clients retain absolute discretion over all decisions regarding the implementation of insurance products and are under no obligation to act upon any of the recommendations made by Stokes Family Office or its Supervised Persons with respect to any insurance products.

Neither Adviser nor any of its management persons have any relationship or arrangement with any of the following related entities that is material to Adviser’s advisory business or to clients:

- i. broker-dealer, municipal securities dealer, or government securities dealer or broker
- ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- iii. other investment adviser or financial planner
- iv. futures commission merchant, commodity pool operator, or commodity trading adviser
- v. banking or thrift institution
- vi. accountant or accounting firm
- vii. lawyer or law firm
- viii. insurance company or agency
- ix. pension consultant
- x. real estate broker or dealer

- xi. sponsor or syndicator of limited partnerships

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

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Stokes Family Office 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. Stokes Family Office’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 Stokes Family Office’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 Stokes Family Office to request a copy of its Code of Ethics.

Neither the Firm nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which the Firm or any of its related persons has a material financial interest.

## Item 12: Brokerage Practices

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

Stokes Family Office generally recommends that clients utilize the custody, trading, brokerage and clearing services of National Financial Services LLC (“Fidelity”) and Tradeweb Direct LLC (“Tradeweb”) for investment management accounts.

Factors which Stokes Family Office considers in recommending Fidelity, Tradeweb or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Assessing these factors as a whole allows the Firm to fulfil its duty to seek best execution for its clients’ securities transactions. However, the Firm does not guarantee that Fidelity or Tradeweb will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. Fidelity and Tradeweb also enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity or Tradeweb may be higher or lower than those charged by other Financial Institutions.

Stokes Family Office periodically and systematically reviews its policies and procedures regarding its recommendation of Fidelity and Tradeweb in light of its duty to obtain best execution.

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

Stokes Family Office receives, without cost from Fidelity and Tradeweb, computer software and related systems support, which allow Stokes Family Office to better monitor client accounts. Stokes Family Office receives the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity and Tradeweb. The software and support are not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit Stokes Family Office, but not necessarily its clients directly. In fulfilling its duties to its clients, Stokes Family Office endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Stokes Family Office’s receipt of economic benefits 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.

Specifically, Stokes Family Office receives the following benefits from Fidelity and/or Tradeweb at no cost to Stokes Family Office:

- Receipt of duplicate client confirmations and bundled duplicate statements;

- An online platform through which the Firm can monitor and review client accounts;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information;
- Practice management consulting; and
- Occasional business meals and entertainment.

The Firm also receives admission to educational and due diligence programs hosted by Fidelity at no cost to Stokes Family Office. On occasion, the Firm receives admission to, and related travel and lodging costs for educational programs from other financial service providers and investment companies, all at no cost to Stokes Family Office.

In addition, Fidelity provided financial assistance in connection with the formation of Stokes Family Office and its registration as an investment adviser by covering certain costs incurred by the Firm related to entity formation, registration with the SEC, general legal and compliance services, branding (e.g., web development, marketing consulting, etc.), and portfolio accounting and reporting services.

The receipt of these benefits creates a conflict of interest to the extent it causes the Firm to recommend Fidelity and Tradeweb as opposed to a comparable custodial broker-dealer. The Firm addresses this conflict of interest by fully disclosing this conflict of interest in this brochure, evaluating Fidelity and Tradeweb based on the value and quality of their services as realized by clients, and by periodically evaluating alternative custodial broker-dealers to recommend.

### **Brokerage for Client Referrals**

Stokes Family Office does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from Fidelity, Tradeweb, or another third party.

### **Directed Brokerage**

The client may direct Stokes Family Office 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 Stokes Family Office (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 to seek best execution, Stokes Family Office 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**

Transactions for each client generally will be effected independently, unless Stokes Family Office decides to purchase or sell the same securities for several clients at approximately the same time. Stokes Family Office may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Stokes Family Office’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Stokes Family Office’s Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Stokes Family Office does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Item 13: Review of Accounts**

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### **Account Reviews**

Stokes Family Office monitors client portfolios on a continuous and ongoing basis while regular account reviews are typically conducted on at least an annual basis depending on the client’s needs and preferences. Such reviews are conducted by the Firm’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Stokes Family Office and to keep the Firm informed of any changes thereto.

Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client’s personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).



The custodial broker-dealer for client's account will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election.

### **Account Statements and Reports**

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 Stokes Family Office 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 Stokes Family Office or an outside service provider.

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

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### **Client Referrals**

Stokes Family Office retains the ability to enter into arrangements with solicitors to identify and refer potential clients to the Firm. As of the date of this brochure, the Firm has not yet entered into any such solicitation arrangements. However, if and when the Firm enters into a solicitation arrangement with any parties in the future, it will enter into a written solicitation agreement with such third-party and ensure that a solicitor's disclosure document is timely delivered to any client that is referred to the Firm in connection with such solicitation activity. The Firm does not increase or otherwise impose additional fees on referred clients as a result of fees it may pay to the solicitor.

Nobody other than clients provide an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit the Firm, clients, or both.

## **Item 15: Custody**

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The Advisory Agreement and/or the separate agreement with any financial institution generally authorize Stokes Family Office to debit client accounts for payment of the Firm's fees and to directly remit those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodians 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 Stokes Family Office.

In addition, as discussed in Item 13, Stokes Family Office may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Stokes Family Office.

For clients that do not have their fees deducted directly from their account(s) and have not provided Stokes Family Office with any standing letters of authorization to distribute funds from



their account(s), the Firm will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided the Firm with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), the Firm will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will the Firm accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

## Item 16: Investment Discretion

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The Firm accepts discretionary authority to manage securities accounts on behalf of clients only pursuant to the mutual written agreement of the Firm and the client through a limited power-of-attorney, which is typically contained in the advisory agreement signed by the Firm and the client. Clients may place reasonable limitations on this discretionary authority so long as it contained in a written agreement and/or power-of-attorney. Stokes Family Office 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

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### **Declination of Proxy Voting Authority**

Stokes Family Office generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

Clients will receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## Item 18: Financial Information

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Stokes Family Office 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.