



## **Life Planning Partners, Inc.**

**FORM ADV PART 2A**

**BROCHURE**

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April 3, 2018

This brochure provides information about the qualifications and business practices of Life Planning Partners, Inc. If you have any questions about the contents of this brochure, please contact us at 904-448-5158. 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 Life Planning Partners, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Life Planning Partners, Inc. is 129338.

Life Planning Partners, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated February 21, 2017 we have no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

Life Planning Partners, Inc. is a registered investment adviser based in Jacksonville, Florida. We are organized as a sub-Chapter S corporation under the laws of the State of Florida. We have been providing investment advisory services since 2004. Carolyn McClanahan is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Annual Advisory Services**
- **Pension Consulting Services**
- **Advisory Consulting Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Life Planning Partners, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Annual Advisory Services

Our firm offers financial planning and portfolio management services on an ongoing basis. Our holistic financial planning strives to address all facets of life based upon an analysis of your individual needs. Our data-gathering process may seem intensive and our goals discussion may seem intrusive. Only by knowing how you live, your lifestyle, health, finances, family structure, values, and goals, can we form a "financial life plan" to work towards helping you achieve a great life today and in the future.

After an initial data gathering process, we will outline an initial plan including cash flow projections, tax planning, insurance review, estate planning, and investment planning. Together, we determine the action list and agree on an implementation process geared towards helping you reach your goals. We are with you during every step, whether it's serving as your advocate to evaluate insurance options, setting up appointments with attorneys for estate documents or conferring with your accountant to verify correct filing. We work together to create an Investment Policy Statement and setup ongoing investment management.

The primary objective of this process is to allow us to assist you in getting all of your action list tasks done - implementing our recommendations to effectively manage your income, assets and liabilities to meet your financial goals and objectives.

Because life is constantly changing, it is important to review your plans and goals regularly. Financial plans are based on your financial situation at the time the plan is prepared and are based on financial information disclosed by you. We feel that scheduled reviews are imperative in making certain we are doing the utmost to assist you. The components of the financial plan are regularly reviewed and updated to reflect changes in your situation. These reviews will focus on changes in your goals, resources, and current laws to help your maximize your resources while minimizing risks.

As your financial situation, goals, objectives, or needs change, you must notify us promptly. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is not an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met.

As part of our ongoing financial planning services, we offer discretionary and non-discretionary portfolio management services where the investment advice provided is custom tailored to meet your needs and investment objectives. Subject to any written guidelines that you may provide, we may be granted discretion and authority to manage your investment accounts. Accordingly, we are authorized to perform various functions, on your behalf and at your expense, without your further approval. Such functions include the determination of securities to be purchased/sold and the amount of securities to be purchased/sold.

Once the portfolio is constructed, we provide regular supervision and rebalancing of the portfolio as changes in market conditions and your circumstances may require. Where we enter into non-discretionary arrangements with you, we will obtain your approval prior to the execution of a trade.

### **Fees**

Our minimum fee is \$2,500 per quarter, and it is based on complexity of the situation. We do not have a minimum investment account size. Factors considered in setting the client fee are number of household members, amount of financial planning required, number and type of accounts, net worth, life stage, business interests, real estate ownership, trust arrangements, etc. Clients who benefit from our fee structure tend to be people with higher net worth and/or complicated planning needs.

Fees may be negotiable and we reserve the right to decline situations which we consider not complicated enough to warrant our minimum fee. Alternatively, we may agree to negotiate a lower fee for such simpler situations. Note that clients who engaged us prior to March, 2015 have grandfathered fees. Subsequently these clients may have a lower fee than our current minimum, and are not subject to the new higher minimum fee.

Due to the detailed nature of the work we do for clients, our fees for financial planning and investment management services depend on the scope and complexity of those services. As such, our fees may be lower or higher than those charged by other investment advisors for similar investment management or financial planning services. We may provide account services for members of current client households or their families. When we expect to provide short-term or one-off planning or account services, we may complete them without additional fees. In situations where we expect our services to be long-term and ongoing, we may include this complexity in setting the client fee.

The annual fee for services is billed quarterly in advance based on a fixed fee agreed to with you. Fees may be assessed pro rata in the event the agreed upon annual services commence subsequent to the first day of a calendar quarter. We will either invoice you directly for continuing services or payment of fees will be deducted by the qualified, independent custodian holding your funds and securities. Our minimum fee is \$2,500 a quarter, and is based on client complexity.

Either party may terminate the management agreement within five days of the date of acceptance without penalty. After the five-day period, either party, upon 30 days written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to you.

### **Pension Consulting Services**

We may provide pension consulting services to employee retirement plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include a plan review, formation of an investment policy statement, due diligence on plan providers, on-going consulting, and communication and education services where we will assist the plan sponsor in providing meaningful information regarding the pension plan to its participants. We will be compensated by an annual fixed fee for any one or all of the services listed above, and such fees will generally range between \$3,000

and \$12,000. At our discretion, these fees may be negotiable depending on the scope and complexity of the plan and services to be provided. We require that you pay the fee quarterly in advance. However, we may waive or offset a portion of the fixed fee where we have provided other services to you. In all circumstances, the fees to be paid and the fee-paying arrangements will be clearly set forth in the pension consulting agreement between us. You may terminate the pension consulting agreement within five days of the date of acceptance without penalty. Thereafter, either party may terminate the pension consulting agreement by providing (30) days written notice to the other party. The pension consulting fees will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to you.

These services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as we recommend. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.

Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement signed with our firm. Our compensation for these services is described within at Item 4 and Item 5, and also in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

In providing services to the Plan, our status is that of an investment adviser registered with the U.S. Securities and Exchange Commission and other jurisdictions as required. We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a non-discretionary fiduciary of the Plan as defined in Section 3(21), only. We do not act as a discretionary "investment manager" of the Plan as defined in Section 3(38) under ERISA.

### **Advisory Consulting Services**

We offer consulting services which primarily involves advising you on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. We charge an hourly fee for advisory consulting services of \$200. We also offer three hour consulting meetings with clients for a fee of \$500. If you become a retainer client of our firm this fee may be deducted from your first quarter's retainer fee.

### **Types of Investments**

We offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate and oil and gas.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2017, we provide continuous management services for \$161,123,786 in client assets on a discretionary basis, and \$10,086,170 in client assets on a non-discretionary basis. We also manage \$1,534,177 in client assets on a non-continuous basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. Regardless of whether you complete the rollover, we will charge you the same fixed fee as set forth in the agreement you executed with our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages that we will discuss.

If you are considering rolling over your retirement funds to an IRA, here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.

2. Your current plan may have lower fees than generally available.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have different risk levels than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5, if still employed.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. It may be more cumbersome to access funds in your 401k, requiring approval from your employer and/or plan administrator before funds can be distributed.
10. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
11. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact our office.

## Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, and charitable organizations.

Our minimum fee is \$2,500 a quarter, and is based on client complexity. We do not have a minimum investment account size. Fees may be negotiable and we reserve the right to decline situations which we consider not complicated enough to warrant our minimum fee. Alternatively, we may agree to negotiate a lower fee for such simpler situations. Note that clients who engaged us prior to March, 2015 have grandfathered fees. Subsequently these clients may have a lower fee than our current minimum, and are not subject to the new higher minimum fee.



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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon your specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### Risk of methods of analysis:

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every

type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

Life Planning Partners, Inc., has been registered and providing investment advisory services since 2004. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. 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)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest may exist in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Fidelity Institutional Wealth Services and its affiliates (collectively referred to as "Fidelity"), a registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Fidelity provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Fidelity, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Fidelity provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We also maintain relationships with several other broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

In general, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients. Occasionally, our firm may place a bond order and allocate it among several accounts. Each client receives the same price and is assessed the same fee(s) by the custodian, so all participating accounts are treated in a fair and equitable manner.

## **Item 13 Review of Accounts**

Carolyn McClanahan, President and/or Timothy Utecht, Chief Investment Officer of Life Planning Partners, Inc., will monitor your accounts on a continuous basis and will conduct internal account reviews at least quarterly. We recommend meeting with you on an annual basis or upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your current investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with quarterly reports containing a review of your investment holdings and a performance statement. Updates to Investment Policies will be made as needed. Additionally you will receive monthly and/or quarterly reports from the custodian holding your funds and securities. You may also access such reports electronically.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

## **Item 15 Custody**

Typically, we have only restricted access to your accounts which includes the ability to place trades, to discuss your accounts with the custodian, to directly debit advisory fees from your accounts, and to distribute funds directly to you.

## **Asset Movements**

To simplify the management of your complex financial life, we may also provide additional assistance with asset movements, at your direction and with or without written consent prior to each transaction. These may include some or all of the following services:

- Transferring annual IRA contributions
- Transferring amounts between your personal accounts
- Making gifts or charitable contributions
- Sending tuition payments from 529 plans
- Distributing funds to a third party on a regular basis or as needed upon request

In these cases, we are also granted discretion as to the timing and the amount of the transfers. Advisers with authority to make these transfers on a client's behalf technically have access to the client's assets, and therefore are deemed to have custody with respect to such assets.

## **Outside Account Online Access**

You may provide us with account login and password information (online access) for your workplace retirement plan or 529 plan accounts. We will use the online access to make investment allocation decisions, to periodically rebalance the investments within those accounts as needed, and to aggregate investment details from those accounts with other investment holdings. With online access, we may also have the ability to transfer or distribute funds from your accounts and would only do so at your direction. Advisers with this ability to transfer or distribute funds via online access to accounts, technically have access to the client's assets, and therefore are deemed to have custody with respect to such assets.

## **Debiting of Fees**

Your independent custodian may directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Since we are deemed to have custody, in addition to your custodian's obligation to send account statements directly to you, we are required to provide additional safeguards for "custody assets" and to undergo an annual surprise examination by an independent Certified Public Accountant (CPA) who reports their findings directly to the appropriate regulatory agencies.

## **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or place other

restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

We are not required to provide financial information to our clients because we:

- Do not require the prepayment of more than \$1,200 in fees and more than six months in advance.
- Do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## **Item 19 Requirements for State Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. Any trade corrections during a quarter are netted against each other. Net losses are charged to and paid by us. Net gains are sent by Fidelity to a charity.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.