



## FORM ADV PART 2

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This Form ADV Part 2A Brochure (herein after “Brochure”) provides information about the qualifications and business practices of BAM Advisor Services, LLC (“BAM”). If you have any questions about the contents of this Brochure, please contact us at (314) 725-0455. 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.

BAM is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about BAM also is available on the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BAM 143319.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The most recent update of our brochure was August 2, 2017, and contained the following material change:

- Updating of Item 14 to include disclosure on reimbursement of travel expenses.
- Updating of Item 10 to reflect the new ownership structure of Focus Financial Partners, LLC.

Our most recent Annual Updating Amendment was filed on March 20, 2017.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting a member of our compliance department at (314) 725-0455.

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## Item 4 – Advisory Business

BAM is a fee-only investment advisor and has been providing services since 1997. As of June 30, 2017, BAM had \$3.74 billion of regulatory assets under management through its role as fixed income sub-advisor to independent registered investment advisory firms. In addition, BAM provides administrative, back-office and retirement plan services to \$14.96 billion of assets managed or advised by the independent firms that hire BAM for its services, which are detailed below. The total number of assets under management or administration was \$18.70 billion.

BAM is a wholly owned subsidiary of Focus Operating, LLC (a wholly owned subsidiary of Focus Financial Partners, LLC), and is affiliated through both common ownership and control with Buckingham Asset Management, LLC, d/b/a Buckingham Strategic Wealth (Buckingham), also a registered investment advisor. For more information, please see "Item 10 – Other Financial Industry Activities and Affiliations."

BAM primarily provides turnkey asset management services to independent registered investment advisors (investment advisors). BAM's "back-office services" include marketing, administration, support and investment advice to investment advisors throughout the country. BAM's objective is to provide resources to advisors who understand and practice the tenets of Modern Portfolio Theory (MPT). BAM's turnkey asset management services allow advisors to devote their time to building a financial advisory practice while outsourcing the back-office operations.

BAM also provides fixed income sub-advisory services to investment advisors and their clients. BAM provides fixed income investment allocation recommendations and management services to the registered investment advisors for their clients. Through the investment advisor's investment advisory agreements with their clients, BAM is granted the discretionary authority to select fixed income securities for clients based on the asset allocation provided by the investment advisor and client. Additionally, BAM provides retirement plan services to participant-directed pension and profit sharing plans.

Investors receive this ADV based upon their decision to engage their independent registered investment advisor to manage a portfolio consisting of fixed income securities and their advisor's decision to use BAM as a fixed income sub-advisor, exercising limited investment discretion over the investor's account for fixed income management or as a result of BAM providing 3(38) services for a retirement plan. Investment advisors receive this ADV based upon their decision to contract with BAM for turnkey asset management and fixed income sub-advisory services for their firms.

### Turnkey Asset Management Services

BAM assists independent registered investment advisors who provide portfolio management and employee benefit retirement services to investors. BAM educates investment advisors on the principles and tenets of MPT as a methodology for structuring investment portfolios with long-term investment goals. BAM also provides investment advisors with model investment portfolios that demonstrate the historical risk and return results of multiple asset class allocations to investors and that investment advisors may use as starting points to manage investment accounts.

On an ongoing basis, BAM will recommend to investment advisors appropriate investments, including the allocations to various asset classes for the investment advisor's consideration based on its market research. BAM's advisory services are designed to educate investment advisors on how to offer long-term investment solutions through appropriate asset allocations.

BAM primarily recommends that investment advisors use passively managed and/or evidence-based mutual funds. Mutual funds that follow a passive and/or evidence-based investment philosophy generally have low holdings turnover. BAM will also provide advice to investment advisors regarding various other securities, including, but not limited to, exchange traded funds (ETFs), equity securities (stocks), corporate debt securities, certificates of deposit, variable investment company products and municipal/government bonds.

In conjunction with BAM's advisory services, BAM provides comprehensive back-office support to investment advisors, which includes, but is not limited to:

1. Administrative assistance with independent qualified custodians to open and maintain investment advisor master accounts and to assist with investment advisor's client accounts, including supplying the investment advisor with all custodial documentation required for clients of the investment advisor to open and maintain accounts.
2. Maintain daily buy/sell and monthly account statement reconciliation with custodians on the investment advisor's client accounts.
3. Coordinate with broker-dealers and custodians on the investment advisor's client situations.
4. Provide customized quarterly statements prepared by BAM, organized by asset class, to assist the investment advisor in account rebalancing.
5. Provide the investment advisor with online access to various portfolio management and performance reports to allow the investment advisor to manage client accounts.
6. Provide model Investment Policy Statement Questionnaire and Template, with updates as appropriate.
7. Provide the investment advisor's client agreement template (which should be reviewed by legal counsel prior to use).
8. Assist the investment advisor in providing clients with access to passively managed and/or evidence-based mutual funds available to investment advisors but not generally available to the public.
9. Transmit to the broker-dealer/custodians selected by the investment advisor's clients all buy/sell orders provided by the investment advisor for its client accounts.
10. Provide trading cost and fee structure with the authorized broker-dealer/custodian(s) that takes advantage of BAM's collective arrangements.

11. Collect and remit net fees (gross fees minus fees due to BAM from investment advisor) to the investment advisor. Investment advisors establish their own fee rates and break points with their clients that shall generally be charged in advance and based on the aggregate account size. Special fee payment structures with the investment advisor's clients will be strictly limited and subject to BAM's approval.
12. Provide simulated strategies to assist the investment advisor in demonstrating to clients the historical risk and return results of multiple asset class allocations. The investment advisor will determine with its clients what allocation is appropriate for each client and what investment vehicles will be used. Allocations are subject to the investment advisor's commitment to advise its clients consistent with the tenets of MPT and passive and/or evidence-based asset allocation.
13. Provide investment advisors with marketing support in the form of presentation materials templates (including speaker notes), monthly client newsletters and other materials available in multiple formats.
14. Provide regular information on aspects of MPT and evidence-based investing.
15. Provide training in the application of MPT and evidence-based investing for investment advisors and in the technology provided by BAM. Training will take place at sites designated by BAM from time to time and may be subject to additional charges. The cost of transportation and accommodations in St. Louis shall be the expense of the investment advisor.
16. Provide consultation to the investment advisor, including portfolio analysis for both fixed income and equity portfolios.
17. Seek to identify outside providers of key strategic services and make such providers known to investment advisors.

BAM has identified certain retirement plan service providers (RPSPs), whose services include recordkeeping, compliance, custody, participant education, plan setup or conversion and access to evidence-based vehicles. BAM has and will continue to work with RPSPs to offer a package of services that meets investment advisor's needs for qualified retirement plans. BAM will, on an ongoing basis, provide training to investment advisors on using RPSPs' service packages, act as the liaison between the investment advisor and RPSPs, collect fees for the investment advisor (where authority is granted) and provide periodic accounting of assets under advisement in retirement plans set up with RPSPs through BAM.

### **BAM Retirement Solutions Services**

BAM provides 3(38) investment management and advisory consulting services to participant-directed pension and profit-sharing plans. BAM constructs, maintains and recommends managed portfolios to retirement plan participants as a fiduciary to these plans. BAM coordinates these services with other independent investment advisors to which BAM may provide the back-office services described above. However, not being a back-office client of BAM does not preclude a plan from using the BAM Retirement Solutions platform.

These managed portfolios generally include multiple asset categories of mutual funds managed by fund companies. BAM shall select, monitor and change funds in the managed portfolios from time to time as

determined by BAM in its discretion. Plan participants can select either the managed portfolios or construct their own customized portfolio from the funds made available within the plan. BAM will have discretion over the funds to be made available in the plan at any given time. The independent advisors with which BAM coordinates clients' services will discuss plan investments and fiduciary obligations with the plan sponsor or trustee as a part of this multi-party service.

Plan representatives establish a relationship with an independent, qualified recordkeeper. BAM, from time to time, directs that recordkeeper to rebalance the accounts to the extent necessary to comply with the current allocation of BAM's managed portfolios.

BAM's fee for BAM Retirement Solutions does not include any brokerage commissions, custodial, administrative or recordkeeping fees, or other expenses incurred by the plan and/or plan participants. BAM's fee is also separate and distinct from any fees charged by other investment advisors. BAM is authorized in its agreement with the plan to deduct the fee directly from the plan's custodial account.

### **Fixed Income Sub-Advisory Services**

BAM will provide additional specific fixed income sub-advisory services related to fixed income accounts of investment advisor's clients. If the investment advisor and client agree to include an allocation of fixed income securities, the investment advisor may retain BAM as a fixed-income sub-advisor to their client's account. BAM may consult with the investment advisor and its client in the preparation of a Fixed Income Investment Policy Statement allocating certain client assets to a fixed income portfolio. BAM will have discretionary authority to manage the fixed income allocation but will not have any authority or discretion to move any investment advisor's client assets to the fixed income portfolio allocation.

If the investment advisor and client agree to allocate assets to a fixed income portfolio, the client must grant the investment advisor with discretionary authority to retain BAM as a sub-advisor of such portfolio and authorize BAM to manage such portfolio.

BAM requires discretion from the investment advisor to purchase investment-grade fixed income securities pursuant to the client's Fixed Income Investment Policy Statement. BAM will thereafter monitor the client's fixed income portfolio for changes in call provisions, maturities, credit quality and tax-loss harvesting (only for securities purchased by BAM or for which BAM is provided cost basis and trade date).

Based on its portfolio monitoring, BAM may recommend the sale of securities within the fixed income portfolio to the investment advisor, and will act upon instructions of the investment advisor regarding sales. Also at the instruction of the investment advisor, BAM may purchase additional securities to replace sold or called securities or if new account deposits are made by the client.

BAM regularly monitors credit ratings of client account holdings as reported by credit rating companies. BAM may, at its discretion and in working with the investment advisor, maintain or sell securities based on transaction costs and other investment considerations. It is BAM's policy to hold most, but not all, fixed income assets in client portfolios until maturity absent a material change in credit quality or other investment decisions, such as tax-loss harvesting opportunities.



Additionally, BAM may purchase certificates of deposit (CDs). For clients holding CDs, BAM has regular credit surveillance of the banking institution as well as regularly monitors on the total CD positions to ensure principal invested in CDs does not exceed FDIC insurance limits. For accounts linked by the same tax-payer identification number, BAM examines CD positions within accounts under BAM's management to look for violations of FDIC insurance limits on principal invested in CDs. BAM does not monitor for CD positions not under BAM's management or within accounts for which BAM does not receive information. If clients hold CD positions at custodians that do not report to BAM, it is the clients' duty to inform their investment advisors.

### **No Legal or Accounting Advice**

While associates of Buckingham, an affiliate of BAM, may be licensed attorneys or accountants, Buckingham does not provide any legal or accounting advice. Clients should seek the counsel of a qualified attorney and/or accountant when necessary.

## **Item 5 – Fees and Compensation**

### **Organizational Oversight**

BAM has instituted various levels of oversight to ensure its professionals adhere to the firm's policies and procedures and standards of business conduct. The firm's Executive Committee, a subset of the firm's Board of Managers, manages and supervises the business operations of the firm and oversees all aspects of the business. The current members of the Executive Committee are: Adam Birenbaum, Shannon O'Toole Kuhlman, David Levin, Jeff Remming and Al Sears. The firm's Investment Policy Committee oversees the investment advice being provided to clients and is responsible for guiding the firm's investment philosophy, approving or recommending specific investments, and ensuring that investment decisions are consistent with the firm's research and strategy. The current members of the Investment Policy Committee are: Ed Goldberg, Kevin Grogan, Brian Haywood, Jared Kizer (chairman), Kristin Poole, Larry Swedroe, Manisha Thakor and Brent Thomas.

### **Turnkey Asset Management Services & Fixed Income Sub-Advisory Services**

The fee charged by BAM for its comprehensive turnkey asset management services and fixed income sub-advisory services is based on the total assets of the investment advisor's client accounts using BAM's services, generally according to the following schedule:

Investment Advisor's Gross Quarterly Fees	BAM's Fee is Equal to:
On the first \$50,000	40%
On the next \$200,000	30%
On all amounts thereafter	20%

Should the investment advisor discount a fee to a client by greater than twenty percent (20%) from its standard fee schedule, BAM shall have a right to impose a minimum fee on the investment advisor equal to the lesser of 35 basis point on of the entire billable account value or the amount BAM would have received were the investment advisor to charge the client according to its standard fee schedule, calculated using the lowest current achieved percentage tier shown above.

Additional fees to the investment advisor will be charged on accounts of its clients that are held with a custodian for which BAM cannot download account information electronically or otherwise requires manual data entry. BAM also reserves the right to charge differently on accounts with circumstances requiring unusual servicing efforts.

BAM may charge the investment advisor a lower percentage of the investment advisor's client fees than the above fee schedule if the investment advisor signs a longer-term service agreement with BAM or if the investment advisor brings significant assets to BAM's platform.

The investment advisor will provide BAM with authority to directly debit the investment advisor's client fees at the start of each quarter, deduct its own fee as described above and forward the remaining fees to the investment advisor. The investment advisor will request authority from its clients to receive quarterly payments directly from the client's account held by an independent custodian, and the investment advisor will assign this authority to BAM. Each quarter, for certain investment advisors, BAM will prepare for each of the investment advisor's clients an invoice showing the amount of the fee, the value of the client's assets on which the fee was based and the specific manner in which the fee was calculated. These investment advisors must review and forward these invoices to their clients.

Fees are invoiced in advance, at the beginning of each calendar quarter, based upon the value (market value or fair market value based on independent third-party sources or fair market value in the absence of market value; client account balances on which BAM calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the investment advisor's clients' accounts at the end of the previous quarter.

New accounts are charged a pro-rated fee for the remainder of the quarter in which the account is incepted (typically the date of first trade by the investment advisor).

Generally, service agreements between BAM and the investment advisor may be terminated for any reason and by either party with one hundred and eighty (180) days written notice. Longer term contracts will have different termination provisions. Immediate termination may be effected by either party because of the other party's insolvency, failure to pay fees, default or breach of agreement, or conviction of affiliated persons of any felony, crime involving dishonesty, or a violation of securities laws. These provisions are more fully set forth in the parties' service agreement.

BAM may also provide the investment advisor with a portfolio analysis of any investment advisor's client's fixed income securities holdings (generally for portfolios of not less than \$500,000) that are not managed by BAM. BAM will provide an analysis of the holdings' credit quality, sector evaluations, call features, maturity schedules and other pertinent data.

### **BAM Retirement Solutions Services**

For BAM Retirement Solutions services, the fee schedule to the plan for BAM's 3(38) investment management service is as follows:

Assets Under Advisement	Annual Fee
On the first \$1,000,000	0.30%
On the next \$4,000,000	0.20%
On the next \$5,000,000	0.15%
On all amounts thereafter	0.10%

Investment advisors using BAM's full-service turnkey asset management offering may receive discounted pricing from the above fee schedule.

Like BAM's other services, fees are paid quarterly in advance. Fees charged by investment advisors for 401(k) services are separate and distinct from BAM's fees for 3(38) investment management services.

### **Additional Information**

In certain circumstances, fees and minimums will be negotiable based on unique circumstances.

All fees paid to BAM are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. BAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that shall be incurred by investors. Investors may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to BAM's fee, and BAM shall not receive any portion of these commissions, fees and costs. See Item 12 for further information related to brokerage practices.

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

BAM does not charge performance-based fees (on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of a client).

### **Item 7 – Types of Clients**

As disclosed above, BAM provides turnkey asset management services to independent registered investment advisors and provides fixed income sub-advisory services to investment advisor clients, which may include individuals, pension plans, charities and endowments, and other businesses. BAM also provides BAM Retirement Solutions services to qualified retirement plans.

BAM typically suggests, but does not always require, a minimum account size of \$500,000 for discretionary individual fixed income management services.

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

BAM's turnkey asset management services are provided to independent registered investment advisors.

These independent investment advisors are responsible for recommendations and/or selection of all investments on behalf of investors, except where investment advisors have retained BAM, or its affiliate Buckingham, for specific monitoring and management of fixed income accounts as described above.

When using BAM's back-office services, BAM requires, as a general rule, that investment advisors must agree to follow the principles of MPT and its implementation through passive and/or evidence-based investment vehicles as the appropriate methodology for structuring investor client portfolios.

BAM's services are based on long-term investment strategies incorporating the principles of MPT. BAM's investment approach is firmly rooted in the belief that markets are "efficient" and that investors' returns are determined principally by asset allocation decisions, rather than market timing or stock picking.

BAM recommends diversified portfolios, principally through the use of passively managed or evidenced-based mutual funds available only to institutional investors and clients of select investment advisors.

Investment advice may be offered on any investments held by an investor at the start of the advisory relationship.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, exchange-traded funds (ETFs) and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds can be less than the purchasing power of the original investment.

The mutual funds and ETFs recommended by BAM include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities, commodity futures and, in certain circumstances, funds that are focused on seeking alternative sources of return that have low or negative correlation to stocks and bonds, including funds investing in alternative lending securities, reinsurance-related securities, managed futures and currencies. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the more risky mutual funds used in BAM's investment strategies are the U.S. and international small capitalization and small capitalization value funds, emerging markets funds, commodity futures funds, alternative lending securities funds, reinsurance funds, managed futures funds and funds holding currencies. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation

Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds recommended by BAM contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks can be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses within each applicable sector.

Equity Securities Risk. Equity securities (common, convertible preferred stocks and other securities whose values are tied to the price of stocks, such as rights, warrants and convertible debt securities) could decline in value if the issuer's financial condition declines or in response to overall market and economic conditions. A fund's principal market segment(s), such as large-cap, mid-cap or small-cap stocks, or growth or value stocks, can underperform other market segments or the equity markets as a whole. Investments in smaller companies and mid-size companies can involve greater risk and price volatility than investments in larger, more mature companies.

Fixed Income Securities Risk. Fixed-income securities are subject to interest rate risk and credit quality risk. The market value of fixed income securities generally declines when interest rates rise, and an issuer of fixed income securities could default on its payment obligations.

Asset Allocation Risk. A fund's selection and weighting of asset classes and/or underlying funds can cause it to underperform other funds with a similar investment objective.

Interval Fund Risk. Where appropriate, BAM may recommend certain funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired and the fund can suspend or postpone repurchases. Clients should carefully review the fund's prospectus to more fully understand the interval fund structure and the corresponding liquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BAM or the integrity of BAM's management. BAM has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

BAM is a wholly owned subsidiary of Focus Operating, LLC (a wholly owned subsidiary of Focus Financial Partners, LLC), and is affiliated through both common ownership and control with Buckingham Asset Management, LLC (Buckingham), also a registered investment advisor. The officers of BAM are also officers of Buckingham.

### Focus Operating, LLC

Focus Operating, LLC, is a wholly owned subsidiary of Focus Financial Partners, LLC (Focus). Focus also owns other registered investment advisors, broker-dealers, pension consultants, insurance firms and other financial services firms (the “Focus Partners”). Most of the Focus Partners provide wealth management, benefits consulting, and investment consulting services for individuals, families, employers and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADVs.

In July 2017, investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) and Kohlberg Kravis Roberts & Co. L.P. (“KKR”) each made an investment in Focus Financial Partners, LLC (“Focus”). This transaction resulted in certain funds managed by Stone Point collectively becoming a principal owner of Focus and the KKR investment vehicles collectively becoming a minority owner of Focus. Because BAM is an indirect, wholly-owned subsidiary of Focus, the Stone Point and KKR investment vehicles are indirect owners of BAM. KKR, Stone Point, nor their affiliates participate in the day to day management of BAM or participate in the investment decisions or recommendations that BAM makes for clients.

The Focus Partners do not share client information amongst each other without prior client consent, and officers of the other Focus Partners are not involved in the management of BAM. Additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

Periodically, Focus holds Focus Partners meetings and conferences, which typically include external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus Partners, including BAM, and facilitate access to discuss ideas, products and services. This could be deemed a conflict: The marketing and education activities conducted, and the access granted, at such meetings and conferences could lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go toward defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider or the revenue generated by asset placement. BAM endeavors at all times to put the interest of the clients first as part of BAM’s fiduciary duty.

### Buckingham Strategic Wealth

Buckingham Asset Management, LLC, d/b/a Buckingham Strategic Wealth (Buckingham), is an investment advisor registered with the Securities and Exchange Commission. Buckingham offers wealth management services and employee benefit retirement plan services to investors following the same tenets, policies and procedures that are made available to independent investment advisors to which BAM provides back-office services. Buckingham

began providing investment management services in 1994. The principals of Buckingham established BAM under the premise that its own back-office support services could be efficiently consolidated and offered to other financial professionals desiring to offer advisory services but lacking administrative time and support. Buckingham continues to actively provide services to its own client base while developing the BAM Advisor Services program. BAM's independent investment advisor clients and Buckingham may potentially compete for advisory clients. Buckingham may also, from time to time, serve as a sub-advisor to BAM's clients pursuant to a separate Investment Advisory Agreement.

Buckingham may provide fully discretionary separate account management services to investment advisor's clients.

See Item 12 for further descriptions of investment and trading operations that discuss certain conflicts of interest presented through the overlap of services provided by Buckingham and BAM. Buckingham and BAM share office space, personnel, trading desks and many other critical functions including management.

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

BAM, together with its affiliate Buckingham (which is the employer of all individuals working for BAM), has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. BAM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth BAM's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with BAM buy or sell securities for their personal accounts identical or different from those recommended to clients. It is the expressed policy of BAM that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, BAM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Compliance department. BAM also requires such access persons to receive approval from the Compliance department prior to investing in any initial public offerings or private placements.

BAM's Code of Ethics further includes the firm's policy prohibiting the misuse of material non-public information and protecting the confidentiality of client information. BAM requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline. BAM will provide a complete copy of its Code of Ethics to any client, prospective client or investment advisor's client upon request.

### **Item 12 – Brokerage Practices**

As part of its turnkey asset management service, BAM assists investment advisors in arranging for the execution of transactions by entering all orders with broker-dealers. Through BAM, investment advisors may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. (Schwab), the Fidelity Institutional Wealth Services (FIWS) program sponsored by Fidelity Brokerage Services, LLC (Fidelity), and the institutional customer program offered by TD Ameritrade Institutional (TDA). BAM's affiliate Buckingham also participates in the SAS, FIWS and TDA programs. Schwab, Fidelity and TDA offer services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions. Schwab, Fidelity and TDA are independent unaffiliated SEC-registered and Financial Industry

Regulated Authority (FINRA) member broker-dealers as well as members of SIPC. As part of these programs, BAM and Buckingham receive benefits that they would not receive if they did not offer investment advice or if they did not participate in these programs. Fidelity, Schwab and TDA also provide certain economic benefits to BAM and Buckingham. (See the disclosure under Item 14 of this Brochure for further details.)

BAM has negotiated competitive commission rates and other trading costs with Schwab, Fidelity and TDA applicable to all investment advisors participating in the turnkey asset management service.

Through BAM, investment advisors may also participate in the TIAA-CREF Financial Advisor Program offered to advisors providing fee-only investment management and recommends after-tax annuities from Peoples Benefit Life Insurance Company, a division of AEGON.

Except for fixed income sub-advisory accounts, BAM does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid for investment advisors' clients' securities transactions. BAM must be directed to the broker-dealer to be used. In directing the use of a particular broker-dealer, it should be understood that BAM will not have authority to negotiate commissions among various broker-dealers or obtain volume discounts. As such, best execution may not be achieved.

BAM regularly reviews the services and fees offered by custodians in comparison with other institutional service providers. BAM reviews trading costs, execution capabilities and related services for competitiveness.

As a participant in the SAS, FIWS and TDA programs, BAM receives benefits that it would not receive if it did not offer investment advice. BAM also receive benefits from TIAA-CREF and AEGON. Please see Item 14 for a further description.

For transactions in fixed income sub-advisory accounts, BAM will exercise discretion to select broker-dealers and negotiate transaction costs, which may include commissions, trade away/settlement fees charged by an investment advisor's client's custodian and "markups/markdowns" by the executing broker-dealer. BAM will select broker-dealers based on its evaluation of the products offered, the brokerage services offered, costs and quality of execution. The reasonableness of brokerage costs and markups/markdowns is based on the broker-dealer's ability to provide professional services, competitive execution, expertise in specific securities or markets (securities availability), price competitiveness, speed of response, operational efficiency, market research, idea generation, bid strength, experience and financial stability, bid strength, and other services that will help BAM and investment advisors in providing investment management services to their clients.

Client trades in fixed income or equity transactions may be blocked with transactions where (1) BAM initiates each client transaction, (2) or client transactions are initiated by BAM, Buckingham or an investment advisor utilizing the back-office services of BAM. Block trading will be utilized to seek cost benefits for clients.

In the event block trades are only partially filled, allocations will be made on a fair and equitable basis considering the timing of orders and the ability to pro-rate partial trade fills from brokers and dealers. As necessary, the first order received meeting minimum lot size requirements may be allocated shares on a preferential basis. The trading desk of BAM and Buckingham are a single team handling orders related to BAM, Buckingham and investment advisors utilizing BAM's turnkey asset management services. On occasion, BAM and Buckingham do also exercise



discretion to cross transactions between non-affiliated accounts in situations in which it is determined that such a transaction can be fairly priced for each account and is judged to be in each client's best interest.

### **Trade Errors**

In all circumstances involving trade errors caused by BAM, clients are "made whole." If the correction of the trade error by the firm results in a loss, BAM is responsible for that loss. BAM does not retain any client trade error gains.

In instances where multiple trades are corrected at the same time for the same event, the firm will net the results of each correction against each other. Gains received during these corrections may be used to offset losses resulting from other corrections within the total trade error correction.

BAM may also correct trade errors by reallocating a purchased security to another client(s) account(s) in situations in which BAM determines such allocation will be in the clients' best interest. Such reallocations might prevent BAM from incurring trade error losses.

## **Item 13 – Review of Accounts**

### **Reviews**

With the exception of fixed income sub-advisory accounts, BAM does not regularly review the client accounts of independent investment advisors who contract to use BAM's services. BAM does, however, provide quarterly market reports to investment advisors. BAM also periodically updates simulated strategies that it provides to investment advisors based on changes in risk/return analysis. BAM also provides updates triggered by changes in the underlying fundamentals of recommended investments.

For fixed income sub-advisory accounts, BAM performs regular reviews of investment advisor's client accounts, which include monitoring the call provisions, maturities and credit quality of investment advisor's client holdings. BAM also reviews accounts for tax-loss harvesting opportunities (if BAM purchased the security or as been provided with a cost basis and trade date of a held security). BAM will communicate relevant information from such reviews and monitoring to investment advisor.

### **Reports**

BAM produces quarterly account statements and reports for investment advisors to present to their clients. Quarterly reports include portfolio performance review, portfolio position analysis, position performance summary and a billing statement. Investment advisors must review these reports and deliver them to their own clients.

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

As indicated under the disclosure for Item 12, BAM utilizes the services of Fidelity (FIWS), Schwab (SAS) and TD Ameritrade (TDA). FIWS, SAS and TDA each provide BAM with access to institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. The services include brokerage, custody, research, and

access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

FIWS, SAS and TDA also make available to BAM other products and services that benefit BAM but might not benefit its investment advisors' clients' accounts. Some of these other products and services assist BAM in managing and administering clients' accounts. These include software and other technology that provide access to investment advisor client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of BAM's fees from its investment advisors' clients' accounts; and assist with back-office functions, recordkeeping and client reporting. On occasion, these custodians also provide training and education to BAM associates to better interface with the custodial platforms and may occasionally provide business entertainment to BAM personnel. At times, these custodians will also pay for expenses (airfare and/or accommodations) associated with such training and education.

Many of these benefits and services generally are used to service all or a substantial number of BAM's accounts. Offered brokers also make available to BAM other services intended to help BAM manage and further develop its business enterprise. These services can include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing, research, technology and practice management products or services provided to BAM by third party vendors. SAS also provides BAM with free access to Schwab Performance Technologies PortfolioCenter system, which is a technology solution for data management, portfolio accounting and portfolio reporting. This is a direct economic benefit to BAM to not pay for this technology solution. BAM does not enter into any commitments with any brokers for transaction levels in exchange for any services, products or economic benefits from brokers.

There is no direct link between BAM's affiliate, Buckingham, participation in these programs and the investment advice it gives to its clients, although Buckingham receives economic benefits through its participation in the programs that are typically not available to retail investors. The benefits received by Buckingham through participation in the program do not depend on the amount of brokerage transactions directed to these custodians.

TDA, Enterprise Bank and The Business Bank have each individually hired independent contractors at no cost to Buckingham to set up technology systems to ensure compatibility with Buckingham and BAM operating systems. Neither Buckingham nor BAM have made any commitment to direct business to any of these companies as a result of this. This benefit provided by these entities benefits Buckingham and BAM and might not directly benefit Buckingham or BAM clients' accounts, which may create a potential conflict of interest.

BAM's affiliate, Buckingham, receives economic benefits from Fidelity, which include direct payment to vendors for events, professional development, technology and external consultants ("Support Services"). These Support Services are valuable and are a substantial direct meaningful economic benefit to Buckingham. The Support Services also present a conflict of interest as BAM and Buckingham could have an incentive to recommend Fidelity for custodial, brokerage and other services or expand use of Fidelity services as a result of these Support Services and other benefits provided by Fidelity. Without these Support Services, Buckingham or BAM would be required to purchase the same or similar services at its own expense. The fees that Buckingham and BAM charge will not be reduced by the value of the Support Services received. Fidelity provides the Support Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to Fidelity for the Support Services. Buckingham and Fidelity have entered into a separate agreement to govern the terms of the provision of the

Support Services. The receipt of Support Services does not diminish Buckingham and BAM's duty to act in the best interests of clients.

Buckingham also receives from TDA certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Service is a substantial and meaningful direct payment for Buckingham's strategic vendor for portfolio accounting, portfolio reporting, client billing and data integration. BAM utilizes the same platform and therefore also receives the benefit of the Additional Services. TDA provides the Additional Services to Buckingham in its sole discretion and at its own expense, and Buckingham does not pay any fees to TDA for the Additional Services. Buckingham and TDA have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

The receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Buckingham, TDA most likely considers the amount and profitability to TDA of the assets in, and trades placed for, Buckingham and BAM client accounts maintained with TDA. TDA has the right to terminate the Additional Services Addendum with Buckingham, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TDA to Buckingham, BAM can have an incentive to recommend to its clients that the assets under management by BAM be held in custody with TDA and to place transactions for client accounts with TDA. The receipt of Additional Services does not diminish BAM's duty to act in the best interests of its clients.

BAM's affiliate, Buckingham, has received a direct economic benefit from Schwab in the form of direct payment to vendors for technology and external consultants ("Support Services"). These Support Services are valuable and are a substantial direct meaningful economic benefit to BAM and Buckingham and also present a conflict of interest as BAM could have an incentive to recommend Schwab for custodial, brokerage and other services as a result of these Support Services and other benefits provided by Schwab. Without these Support Services, BAM would be required to purchase the same or similar services at its own expense. The fees that BAM charges will not be reduced by the value of the Support Services received. Schwab provides the Support Services to BAM in its sole discretion and at its own expense, and BAM does not pay any fees to Schwab for the Support Services. BAM's receipt of Support Services does not diminish its duty to act in the best interests of its clients.

While as a fiduciary BAM endeavors to act in its investment advisors' clients' best interests, BAM's requirement that clients maintain their assets in accounts at Fidelity, Schwab or TDA could be based in part on the benefit to BAM of the availability of some of the foregoing products, services and economic benefits, including expense reimbursement or direct vendor payment and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Some of these same benefits are also available on the TIAA-CREF and AEGON platforms. SAS, FIWS and TDA also provide assistance to BAM by subsidizing events to assist BAM in recruiting independent registered investment advisor clients.

BAM also receives software from Dimensional Fund Advisors (DFA), a mutual fund company whose products BAM recommends, which BAM utilizes in forming asset allocation strategies and producing performance reports. Fund companies like DFA, Bridgeway Capital Management (Bridgeway), AQR and Stronieridge also provide Buckingham and BAM assistance in the production of seminars, podcasts and educational events and, on limited occasions,

provide customary business entertainment to BAM personnel. On limited occasions, certain BAM professionals are invited by custodians, service providers or fund companies to speak/present at a strategic planning meeting, at that organizations conference or at an industry conference for which that speaker will be reimbursed for travel expenses. This is an economic benefit for BAM to receive reimbursement for travel expenses, however, neither BAM nor Buckingham have made any commitment to direct business to any of these companies as a result of the reimbursement of travel expenses for a speaking engagement. Speakers from BAM may be offered an honorarium for speaking engagements. It is the policy of BAM to direct the sponsor to donate such honorariums to a 501(c)(3) organization of BAM's choice.

DFA has also provided its own personnel and outside consultants for purposes of developing prospects for BAM, continuing education for existing BAM investment advisor clients and internal strategic planning for BAM. DFA, through a web-based service, provides referrals of investor clients to BAM's affiliate, Buckingham. DFA makes such referrals to many investment advisors based on the geographic location of the prospective client. DFA does not provide help to Buckingham in recruiting investor clients in any other way.

BAM's website provides a link to Amazon.com and BarnesAndNoble.com for which BAM receives a fee for books purchased through that link.

BAM receives promotional (sponsorship and exhibitor) fees from various entities in connection with educational and informational seminars and conferences. BAM offers seminars and conferences to independent investment advisors utilizing BAM's turnkey asset management services. Promotional fees for the seminars and conferences are paid by various entities including broker-dealers and custodians through which BAM arranges client securities transactions, and third-party administration service providers that BAM recommends to certain investment advisor clients' retirement plans. Those entities may make certain employees or other speakers available for informational seminars and conferences at no or reduced cost to BAM.

While BAM does not, directly or indirectly, compensate any person for referrals of investment advisory clients, BAM does have partnerships with professional associations that provide BAM with referrals of potential BAM clients (independent registered investment advisors). BAM may pay a portion of the service fees BAM charges investment advisors to the professional association as part of these referral arrangements.

Adam Birenbaum, Chief Executive Officer, is a member of the FIWS Advisor Council. While Mr. Birenbaum is not directly compensated for his role on the Advisor Council, FIWS covers all routine and typical travel expenses for Advisor Council members to attend meetings, including hotel and transportation costs. BAM has made no commitments to FIWS in connection with this role.

Jeff Remming, Chief Innovation Officer, is a member of TDA's Advisor Panel. While Mr. Remming is not directly compensated for his role on the Advisor Panel, TDA covers all routine and typical travel expenses for Advisor Panel members to attend meetings, including hotel and transportation costs. Buckingham has made no commitments to TDA in connection with this role.

Al Sears, Chief Operating Officer and President of BAM Advisor Services, is a member of SAS's Advisor Council. While Mr. Sears is not directly compensated for his role on the Advisor Council, SAS covers all routine and typical travel expenses for Advisor Council members to attend meetings, including hotel and transportation costs. Buckingham has made no commitments to SAS in connection with this role.

BAM also compensates affiliated persons of BAM or an affiliated company of BAM for client referrals. Clients should understand that these persons have an economic incentive to recommend the advisory services of BAM.

### **Item 15 – Custody**

As mentioned in Item 4, BAM provides to investment advisors comprehensive back-office support, which includes administrative assistance with qualified custodians to open and maintain investment advisor master accounts and all of the investment advisor's client accounts, including supplying investment advisor with all custodial documentation required to open and maintain accounts.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains each client's investment assets. BAM urges investment advisors and clients to carefully review such statements and compare such official custodial records to the account statements that BAM may provide to you. BAM's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

BAM is granted discretion for sub-advisory fixed income accounts. BAM's discretion will be limited to the selection of investment-grade fixed income securities for investment advisor's client portfolios. BAM will have no discretion to establish a client asset allocation. BAM will monitor securities within sub-advised fixed income accounts and may recommend sales, as appropriate, to the investment advisor. BAM receives discretion from the independent advisors that hire and retain BAM for such services.

As mentioned in Item 4, when providing BAM Retirement Solutions, BAM exercises discretion to select the mutual funds and/or ETFs and/or managed portfolios available to plan participants. The plan sponsor grants this discretion to BAM in an advisory agreement.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, BAM does not accept the authority to and does not vote proxies. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. BAM, however, can provide advice to clients regarding clients' voting of proxies.

Clients should note that BAM will neither advise nor act on behalf of the investment advisor or its clients in legal proceedings involving companies whose securities are held or previously were held in the investment advisor's clients' account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, investment advisor can direct BAM to transmit copies of class action notices to the investment advisor, the client or a third party. Upon such direction, BAM will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. BAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.