

# SMITH PIERCE

Sustainable Asset Management, LLC <sup>SM</sup>

Securing The Most Promising Asset  
of Socially Responsible Investing: Our Clients. <sup>SM</sup>



In Perpetuity: our bottom line. <sup>SM</sup>



Smith Pierce, LLC is a Registered Investment Advisor (RIA) with the U.S. Securities & Exchange Commission, and as is the case with all RIAs, is required to offer the ADV Part II Form, or its equivalent, to all prospective clients before entering into a contract. This form and its required elements, which inform potential clients about pertinent advisor-client information, serves those purposes (commonly referred to as "The Brochure Rule").

**Smith Pierce** offers institutional and individual clients investment management and financial planning services. Clients may include:

- ❖ Corporations and Small Business
- ❖ Governments & Municipalities
- ❖ Non-Profit Organizations
- ❖ Charities & Trusts
- ❖ Endowments & Private Foundations
- ❖ Financial Institutions
- ❖ Insurance Companies and other Financial Intermediaries
- ❖ Individuals

Services are offered for an annualized percentage fee based on the client's net assets under management (NAUM).

- The fee is calculated and payable on a quarterly basis, in arrears, and clients (including official affiliations for institutions, and friends & families for individuals) receive price point breaks (discounts) for the cumulative portion of assets under management (AUM) that is greater than the preceding AUM fee segment. The fee is based on the following fee segments (negotiable in certain circumstances):

## *Smith Pierce Metafolios<sup>SM</sup>* *Actively Managed*

<u>Assets Under Management (U.S. \$)</u>	<u>Fee %</u>
Less than \$1 Million	1.5
\$1 Million to \$5 Million	1.25
\$5 Million to \$20 Million	1
Greater than \$20 Million	0.75

## *Smith Pierce Separately Managed Accounts (SMAs)* *Actively Managed*

<u>Assets Under Management (U.S. \$)</u>	<u>Fee %</u>
\$5 Million to \$20 Million	3
Greater than \$20 Million	2.25

- Clients are responsible for any and all Broker/Dealer account service fees that may be incurred as a result of the investment advisory relationship. Information on these fees is available from the Broker/Dealer and may be obtained prior to opening an account. These fees may or may not include, and may not be limited to:
    - Trading & account maintenance
    - Margin & related requirements
    - Options contracts
    - Minimum balance requirements
    - Transfer of funds, deposits & withdrawals
    - Check writing & other privileges
- > **Smith Pierce** attempts to minimize account administrative fees through our Broker/Dealer selections, as well as our trading strategies, wherever appropriate, and to the extent this does not diminish account performance.
- > Clients may terminate the investment advisory relationship at any time, at which time all remaining incurred and assessed fees are payable.

**Smith Pierce** offers investment advice on any of the following, but not limited to:

- ❖ Equity securities
  - Exchange-listed securities
  - Securities traded over-the-counter
  - Foreign issuers
- ❖ Warrants
- ❖ Corporate debt securities (including commercial paper)
- ❖ Certificates of Deposit
- ❖ Municipal securities
- ❖ Investment company securities
  - Variable life insurance
  - Variable annuities
  - Mutual fund shares
- ❖ United States Government securities
- ❖ Options contracts on:
  - Securities
  - Commodities
- ❖ Futures contracts on:
  - Tangibles
  - Intangibles
- ❖ Interests in partnerships investing in:
  - Real Estate
  - Oil & gas interests
- ❖ Other investment instruments and associated areas not specifically mentioned, such as:
  - Exchange-Traded Funds (ETFs)
  - Unit investment Trusts (UITs)
  - Real Estate Investment Trusts (REITs), et. seq.

**Smith Pierce** utilizes a wide array of methods to analyze securities, including, but not limited to:

- ❖ Fundamental (top down, bottom up) approaches
- ❖ Technical
- ❖ Charting
- ❖ Cyclical
- ❖ Proprietary metrics (including rigorous quantitative screens and qualitative analyses)

**Smith Pierce** derives its information primarily from the following sources:

- ❖ Financial research mediums, including television, newspapers, magazines, internet, radio (e.g. Standard & Poors, Dow Jones, Bloomberg, Morningstar, Forbes, CNBC, Wall Street Journal, Thompson, The Economist, BusinessWeek, Progressive Investor, SRI Advisor, KLD, et. seq.)
- ❖ Corporate rating services
- ❖ Annual reports, prospectuses, filings with the Securities and Exchange Commission
- ❖ Company press releases
- ❖ Occasional inspections of corporate activities
- ❖ Other research materials prepared by others

Investment advisory may include, but is not limited to recommendations on:

- ❖ Both long-term & short-term securities (securities held 1 year is the differentiating time period)
- ❖ Trading (securities sold within 30 days)
- ❖ Short sales
- ❖ Margin transactions
- ❖ Option writing, including covered options, uncovered options or spreading strategies

**Smith Pierce** Investment Advisors must have at minimum, a bachelor’s degree in a related field from an accredited college, and/or related work experience, as well as acquired the NASD Series 65, and/or NASD Series 66 (or 63 & 65) & 7. **Smith Pierce** values top-tier education, experiences and proven performances, and places those values at a premium when selecting investment advisors, both internally and as sub-advisors, and when selecting mutual funds whenever appropriate, for client accounts.

**Jonah M. Smith, Owner/CEO – Brief Background**

NASD Series 65

IL Life, Accident & Health License

**EDUCATION**

Bainbridge Graduate Institute, Bainbridge Island, WA, 2006  
*Master of Business Administration, Sustainable Business (Honors with Financial Focus)*

University of Michigan, Ann Arbor, MI, 2004  
School of Natural Resources & Environment & UM Business School Sustainability Coursework  
*Master of Science, Conservation Biology & Ecosystem Management/Policy (A-/B+ Cumulative GPA)*

University of Michigan, Ann Arbor, MI, 2004  
*Graduate Certificate, Latin American & Caribbean Studies (Inclusive with MS, Dually Designated)*

University of Michigan, Ann Arbor, MI, 1996  
School of Literature, Science & Arts  
*Bachelor of Art, English Literature (Dean’s List Equivalent 1993, Hartwick College)*

**EXPERIENCE**

Smith Pierce, Owner/CEO | 2006-Present  
SEC Registered Investment Advisor: Approx 40 hrs. /wk

Alliance for the Great Lakes, Director of Sustainable Business | 2005-Present: Approx. 40 hrs./wk

Esol, Business Director, Sustainable Business Consulting | 1998-2002

**ACTIVITIES**

Park Place Tower, Finance Committee, Chicago, IL | 2005-Present: Approx. 0.5 hr. /wk

The Sustainable MBA Fund, Founder & President, Chicago, IL | 2004-2006

LEEDs/Net Impact International Case Competition, Boulder, CO | 2006 – 4<sup>th</sup> place

Dow Jones/GE “ECONomics” Enviro. Bus. Plan Challenge, New York, NY | 2006 – 8<sup>th</sup> place

**Smith Pierce** has arrangements that are material to its advisory business with Broker/Dealers and Independent Insurance General Agents. Dependent upon the needs and objectives of the client, **Smith Pierce** may use Interactive Brokers, Fidelity, Charles Schwab or Etrade, to execute trades on behalf of clients. **Smith Pierce** uses Highland Capital Brokerage to access major insurance underwriters as an independent life producer.

**Smith Pierce** and/or its investment advisors and/or employees may buy or sell, or participate in or have interests in securities or other investments that it advises clients on or effectuates actions on their behalf. **Smith Pierce** adheres to its fiduciary responsibility with the utmost integrity with respect to the client/advisor relationship. This means that **Smith Pierce** always, to the best of its ability, considers and acts in the best interests of the client in making any recommendations, or in taking any actions on the client’s behalf.

**Smith Pierce** and its investment advisors review client accounts on an ongoing basis and may immediately or periodically rebalance portfolios to meet the client’s objectives. Factors that may trigger an automatic review include, but are not limited to: target asset allocation breaches, varying market conditions, regulatory changes, life changes. Each investment advisor may have 1-33 accounts (though in some circumstances more, and in others much less) depending upon account size and activity level and other demands of the portfolio. Clients may check their portfolios and balances online at any time (subject to Broker/Dealer access schedules – usually 24 hrs./day). Clients receive quarterly, semi-annual, and/or annual reviews of their accounts, including investment positions, investment management fees as well as broker/dealer trading and account administration fees, through **Smith Pierce** and the respective broker/dealer, unless other arrangements have been made with the client.

**Smith Pierce** may additionally determine the following, and without obtaining specific client consent, as agreed upon in the inherent investment advisory relationship a client agrees to with **Smith Pierce**, by utilizing services (unless otherwise noted in writing):

- ❖ Securities to be bought or sold
- ❖ Amount of the securities to be bought or sold
- ❖ Date/time securities are to be bought or sold
- ❖ Broker or dealer to be used

By signing this form, I, \_\_\_\_\_ (Print Name), am acknowledging that I have either been offered or received, *and* read pertinent information regarding Smith Pierce, LLC, contained in this form, which is equivalent to SEC Form ADV Part II under the Investment Advisors Act of 1940, commonly known as the "Brochure Rule," on this

date as of \_\_\_\_\_, signed, \_\_\_\_\_.