

## **Item 1 – Cover Page**

### **Eide Bailly Advisors, LLC**

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(866) 740-4100

[www.eidebaillyfinancialservices.com](http://www.eidebaillyfinancialservices.com)

Date of Brochure: July 2020

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This brochure provides information about the qualifications and business practices of Eide Bailly Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 740-4100. 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 Eide Bailly Advisors, LLC is also available on the Internet at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov). You can view information on this website by searching for Eide Bailly Advisors, LLC's name or by using its CRD number: 113564.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last annual amendment was filed in July 2019 the following material changes have been made:

- In September 30, 2019 Jill Floden was named as the Chief Compliance Officer.
- We updated our back-office software for client billing and reporting

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on April 30 so you will receive the summary of material changes, if any, no later than August 28 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **Ownership**

Eide Bailly Advisors, LLC (henceforth referred to as “Eide Bailly” or “Advisor” or “We”) is an investment advisor registered with the Securities and Exchange Commission since September 2005. We are a South Dakota corporation that is wholly owned by Eide Bailly Financial Services, LLC., which is wholly owned and operated by Eide Bailly, LLP.

We offer personalized investment advisory services including financial planning, consulting, asset management services, third-party money managers, investment strategy and monitoring and qualified retirement plan services. The following are brief descriptions of our primary services. A detailed description is provided in **Item 5, Fees and Compensation**, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

### **Financial Planning**

Financial planning can be described as helping individuals determine and set their long-term financial goals, build and preserve wealth through investment planning, asset allocation, risk management, retirement planning, cash flow planning and other additional areas if applicable. The role of a financial planner is to find ways to help clients understand their overall financial situation and help them set financial objectives.

We offer one time or ongoing advisory services in the form of online or printed financial plans via the Eide Bailly WealthOne Client Portal. These services do not involve actively managing your accounts. Instead, full plans focus on your overall financial situation. Modular plans focus on specific areas of concern to you. As Investment Advisor Representatives (“Financial Advisors” or “Representatives”) we do not provide legal or tax advice. We recommend you utilize your CPA or Attorney to fulfill plan objectives.

Additionally, we offer advice on non-securities matters although this is generally provided in connection with insurance and/or annuity advice. Eide Bailly LLP offers various services including but not limited to: Tax Preparation, Tax Planning, Business Valuation and Estate Planning separately as we do not provide tax or legal advice.

Generally, financial planning recommendations are generic in nature and do not involve the recommendation of specific investment products. Recommendations are not limited to any specific product or service offered by a broker/dealer or insurance company. However, if you elect to implement our recommendations, we suggest you work closely with your attorney, accountant, insurance agent and/or stockbroker. Whether or not you implement our recommendations is entirely your decision.

### **Consultations**

We offer one time or recurring investment advice through consultations on any specific topic(s) of interest or concern to you. Consultations can involve a single meeting or multiple meetings. No written plan is provided with consultations. We don’t regularly provide Pension Consulting Services, but if requested will do so under our Consultations fee schedule.

### **Asset Management Services**

We offer personalized asset management services providing you with continuous and on-going supervision over your accounts according to your investment needs, goals, objectives and risk tolerance. This means that we continuously monitor your account and make trades in that account when necessary.

### **Third Party Money Managers**

We offer advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-Party Money Managers (“Sub-Advisors”) are responsible for continuously monitoring client accounts and making trades client accounts when necessary. We may recommend a Sub-Advisor for a particular investment strategy based upon your financial situation, investment objectives, risk tolerance and goals.

### **Investment Strategy and Monitoring Services**

Selection and monitoring services are comprised of four distinct services: investment policy statement preparation, selection of investment vehicles, monitoring investment performance and employee communications (educational support via webinars or seminars).

## Qualified Retirement Plans

Our primary clients for Qualified Retirement Plan services are corporations, individuals, trusts, and charitable organizations. We offer advisory services including, but not limited to: pension, profit sharing, cash balance, 401(k), 403(b) plans. When engaged for ERISA 3(21) fiduciary services we may acknowledge our non-discretionary fiduciary status on a written agreement.

These services typically include the following:

- Strategic Planning – analysis of the Plan design, investment strategy and risk tolerance guidelines, liquidity requirements, and performance goals of the Plan
- Selection of Investments – we advise on an appropriate selection of investment portfolio options and may recommend Third Party Money Managers (“Sub-Advisors”) for the Plan
- Monitoring Investment Performance – at least annually, review the performance of the Plan's investment options and participant statistics

We will meet with the client (the plan or plan sponsor) to determine an appropriate strategy, detailing needs, goals and objectives. Upon client request we will assist with Investment Policy Statement (“IPS”) preparation and annual review.

We may refer you to other professionals or to Eide Bailly, LLP, which offers separate Retirement Plan Administration or Third-Party Administration (“TPA”) services to sponsors of qualified retirement plans, or they may refer you to us, but there is no referral fee arrangement. You are not obligated to use the Eide Bailly, LLP, TPA services, and no client of the TPA is obligated to use our advisory services. Please see **Item 5 Fees and Compensation** and **Item 10, Other Financial Activities and Affiliations**, for further information.

## Seasons Direct

Seasons Direct is an automated investment program (the “Program”) that clients open at Charles Schwab & Co., Inc. (“CS & Co.”) through which clients are invested in a range of tailored investment strategies we have constructed and manage pursuant to discretionary investment authority, each consisting of a portfolio of exchange-traded funds (“ETFs”) and a cash allocation. Seasons Direct investments are managed as a model portfolio which aggregates clients, not individual portfolio asset analysis. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. (“CS & Co.”). We use the Institutional Intelligent Portfolios® platform (“Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisors and an affiliate of CS & Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS & Co., or their affiliates (together, “Schwab”). We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the “System”). The System includes an online questionnaire that helps us determine the client's investment objectives, risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's financial situation and objectives as well as answers to the online questionnaire. The client then indicates an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

The Seasons Direct digital program has a minimum of \$5,000. We charge clients a fee for our services as described under **Item 5 Fees and Compensation**. Clients pay brokerage commissions, transaction costs or any other fees to the qualified custodian CS & Co. as part of the Program. Schwab does receive other revenues in connection with the Program. We do not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at CS & Co. that are not enrolled in the Program. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.07% (7 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS & Co.

Any other professional services offered by Eide Bailly LLP or affiliates are offered and billed in addition to and

separate from this program. Clients will sign an agreement for separate offered services including, but not limited to individualized Assets Management which provides continuous and ongoing reviews, Financial Planning, Consulting, Retirement Plan Services. Separately as part of our individualized Asset Management services the Financial Advisor utilizes as appropriate for each client situation, software/services such as Morningstar, Riskalyze, financial planning services via Eide Bailly WealthONE, social security timing review and fiduciary benchmark analysis.

## **IRA Rollovers**

When recommending that a client rollover his or her account from current retirement plan to an IRA, Eide Bailly and our Investment Advisor Representatives have a conflict of interest. We can earn investment advisory fees by recommending that a client rollover an account at the retirement plan to an IRA; however, We will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained us to provide advice about the client's retirement plan account). Thus, We have an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. We have taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted an impartial conduct standard through its code of ethics whereby We will (i) provide investment advice to ERISA covered retirement plan participant regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in us receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (iii) fully disclose compensation received by We and our supervised persons and any material conflicts of interest related to us recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent we provide investment advice to a participant in a retirement plan under Employee Retirement Income Security Act of 1974 as amended ("ERISA") regarding whether to maintain investments and/or proceeds in an ERISA retirement plan, rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account") or make a distribution from the ERISA retirement plan, we hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans. As such a fiduciary with respect to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, We shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of us or our affiliates.

Please refer to **Item 5, Fees and Compensation** and **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

## **Tailor Advisor Services to Individual Needs of Clients**

Our services are always provided based on your specific needs. You have the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines. We invest in various investments including but not limited to: municipal securities, corporate securities, stocks, ETFs, mutual funds, alternatives and any other investments deemed necessary for our client's portfolios.

Please note that the Investment Advisor Representative on your account can be changed by Advisor in order to provide you with the best possible service. You have sole discretion about whether or not to contract for our services or any recommendations to use other professionals. In addition, you have sole discretion about whether or not to implement any recommendations made by our Financial Advisors. If you do decide to implement recommendations, you are responsible for taking any actions or implementing any transactions required. You are free to select any professional broker/dealer, insurance agent, CPA, attorney to follow up or implement our recommendations. Please see **Additional Compensation**, below.

## **Client Assets Managed by Advisor**

The amount of Client's assets managed by Advisor totaled \$790,956,488.91. Of the assets under management, \$232,569,252.48 is managed on a discretionary basis and \$558,387,236.43 is managed on a non-discretionary basis as of April 30, 2020.

## Item 5 – Fees and Compensation

In addition to the information provide in **Item 4, Advisory Business**, this section provides additional details regarding our services along with descriptions of each service's fees and compensation arrangements.

Fee waivers or discounts may be offered to Eide Bailly employees and family members and friends of our associated persons which are not available to clients. No fee waivers or discounts are available to anyone for the digital platform Seasons Direct.

### Financial Planning and Consultation Services Fees

Fees for written financial plans and/or consultations either one time or ongoing can be charged as either an hourly or a fixed fee, as determined by you. Hourly fees are charged at \$125 to \$400 per hour, depending upon the nature and complexity of your circumstances as well as the representative providing the services. For hourly fees, an estimate of the total hours needed to complete the plan is provided at the start of the advisory relationship. If the actual hours needed exceed the estimate given, our representative contacts you for permission to continue preparing the plan.

Fixed fee ranges from \$750 to \$25,000, depending upon the nature and complexity of your circumstances. A retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon presentation of the plan. The fixed fee is determined by multiplying a quoted hourly rate by the number of hours estimated to complete the requested plan. No revision to the quoted fixed fee is made if the actual hours expended are less than or slightly more than the original estimate. However, if additional time is needed due to work outside of the originally quoted scope of services, this is discussed with you and additional fees are charged.

Services terminate upon presentation of the financial plan. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Any collected but unearned fees are refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in and fees remaining due.

### Asset Management Services

Some of our clients elect to engage us to provide fee-based asset management services where we are solely responsible for making all investment recommendations and also for making changes to the managed account. If you elect to engage us for this service, we develop an individualized Asset Management program for your account(s). We provide various investment strategies through our management services; a specific investment strategy is crafted for you and focuses on your specific goals and objectives. When requested, we craft a personalized investment policy statement to fit your goals and objectives. Asset management services are provided separate from and in addition to the financial planning services previously discussed.

At least annually, we contact you to determine whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on your managed accounts. We are always reasonably available to consult with you relative to the status of your accounts. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the account. A separate account is maintained for you with the custodian and you retain right of ownership of the account (e.g., the right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations).

Standard annual fees charged as a tier percentage range from 0.25% to 1.15% of the assets under the selection and monitoring advisory agreement and are based on the nature, size and complexity of your account(s). The maximum fee charged does not exceed 2% per year. Percentage fees are charged quarterly in advance based on the fair market value of your account as of the end of the previous quarter. Account values are adjusted pursuant to any credit or debit balances. See the Asset Management Agreement for further details.

Custom fees are negotiable based on the complexity of Client's situation, the amount and composition of assets

managed, the representative providing the management services, other services provided by Advisor's affiliates to Client and Client's relationship and history with Eide Bailly. Consequently, the annual fee charged by one representative can be different than the annual fee charged by another representative. We always disclose the fee charged to you before we provide any services. There may be internal expenses or surrender charges on certain investment products such as mutual funds, exchange traded funds and variable annuity fees. Advisor believes that its annual fee is reasonable in relation to services provided under this Agreement and the fees charged by other investment advisers offering similar services/programs. However, the Advisors' annual advisory fee may be higher or lower than that charged by other investment advisers offering similar services. See the Asset Management Agreement for further details.

It is important that you understand we manage investments for other clients and give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell or recommend to you any security or other investment that we buy, sell or recommend for any other clients or for our own accounts.

Conflicts can arise in allocating investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by us equitably and consistently with the best interests of all accounts involved. However, there is no assurance that a particular investment opportunity that comes to our attention is allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to you or any other client or use it for any client's benefit.

You can make additions and withdrawals from your account at any time, subject to our right to terminate an account. Additions are accepted in cash or securities provided that we reserve the right to liquidate any transferred securities or decline to accept particular securities into your account. We consult with you about the options and ramifications of transferring securities. If you liquidate securities you may be charged transaction fees and contingent deferred sales charges (by the variable annuity, mutual fund or exchange traded fund) and possibly have tax ramifications. If you deposit or withdraw funds after a new billing quarter has begun, our advisory fee is adjusted or prorated based on the number of days remaining in that quarter. If you withdraw funds, you are subject to any securities settlement procedures the custodian imposes. We design portfolios as long-term investments and withdrawals could impair the ability to achieve your investment objectives.

Fees are automatically deducted from your account, and you must provide written authorization to have the fees deducted from the account and paid directly to us. At least quarterly, you receive an account statement from the account custodian detailing transactions in your account, including advisory fees charged. You should review the account statements received from the account custodian and verify that appropriate advisory fees are being deducted. The custodian will not verify the accuracy of the advisory fees deducted.

### **Qualified Retirement Plan Services**

Fees for Qualified Retirement Plan Investment Advisory Services are negotiated based on variables that include asset size, account size, number of employees, complexity of the plan investment options selected by the plan sponsor and the level of services agreed upon. Typically, fees are charged in arrears and are calculated based on the prior quarter-end market value. Some plan custodians calculate our fee based upon the daily average market value for the quarter. Please refer to your Plan Agreement(s) for further details.

### **Investment Strategy and Monitoring Services**

We offer several advisory services separately or in combination. These services can be provided as a one-time event or on an on-going basis for a one-year period. Selection and monitoring services are comprised of four distinct services and you can elect to use any or all of these services:

Services provided as a one-time event are billed upon completion. For on-going services charged at an hourly or fixed fee rate, fees are billed in arrears on a quarterly basis. Depending upon the complexity of the requested services and the time needed to complete them, a retainer may be required at the time the advisory agreement is signed. If required, the retainer will not exceed one-half of the quoted fee and the remainder is due upon completion of the services.

Services terminate upon completion of the services. However, either party can terminate the advisory agreement at any time by providing written notice to the other party. You are responsible for the time expended by our



representatives to the date of termination. Both hourly and fixed fees are calculated by multiplying the hourly rate times the actual hours expended on the services to the date of termination. Fees charged as a percentage are prorated based on the number of days that services are actually provided. Any collected but unearned fees are refunded to you at termination. If the fees due are over and above those already collected, we provide you with a billing statement detailing the charges, fees paid in, fees remaining due or refund due to you.

We implement trades in some of our advisory programs on a discretionary basis. **See Item 16, Investment Discretion**, for additional discussion on discretionary and non-discretionary authority.

## Seasons Direct

Seasons Direct clients will be charged 0.60% of their assets in the Program computed for each monthly billing period. Calculations are rounded to the nearest penny. As described in **Item 4 Advisory Business**, clients pay brokerage commissions, transaction costs or other fees to CS & Co. as part of the Program. Schwab does not receive other revenues in connection with the Program. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

Schwab generally does not charge separately for maintaining custody of client accounts but may charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account. These charges include, but are not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. Our management fees charged are separate and distinct from the fees and expenses charged by investment company securities that we recommend to you. A description of these fees and expenses are available in each security prospectus.

Management services continue until terminated, and services can be terminated at any time by providing written notice to the other parties. Termination is effective upon receipt of the notice. We charge a prorated fee based on the number of days that services are provided prior to the effective date of termination. You receive a statement from your account custodian detailing account activity, including advisory fees charged and adjustments to those charges.

## Third Party Money Managers

To address a client's designated investment objectives, we sometimes recommend that a client invest all or a portion of their investment assets to one or more unaffiliated, Third Party Money Managers ("Sub-Advisor"). Through this service, we are able to establish agreements directly with Sub-Advisor to offer a wide range of advisory services, including portfolio management and asset allocation. We can then refer you to a Sub-Advisor which provides asset management services for your account(s). If the client decides to retain the Sub-Advisor, some Sub-Advisors require the client to enter into an agreement directly with the Sub-Advisor. The Sub-Advisor is responsible for continuously monitoring your accounts and making discretionary trades in your accounts when necessary.

When you agree to engage a Sub-Advisor that we recommend, we are considered a solicitor to the Sub-Advisor. As a result, we are paid a portion of the fee charged and collected in the form of solicitor fees or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Although the Sub-Advisor will be responsible for making all investment decisions, we are available to answer questions you may have regarding your account and act as the communication conduit between you and the Sub-Advisor. Investment advisory fees incurred by a Client increase when the Client elects to use Sub-Advisor. Some Sub-Advisors will allow client requested trading within a portion of the Sub-Advisor account. In general, our representatives do not have any trading authority with respect to your managed account(s) with the third-party investment advisor(s).

We developed jointly with Symmetry certain investment allocation models available for the Account and recommend an investment allocation model based upon client investment objectives, risk tolerance and financial circumstances disclosed by Client to us. Eide Bailly Advisors in conjunction with Symmetry Partners or collaboratively known as "Joint Advisors" use discretion to trade within the portfolio sleeves per the Symmetry Asset Management agreement. Symmetry exercises investment discretion and trading authority over these Accounts. We monitor the performance of the Sub-Advisor with respect to the Sub-Advisor's management of the designated assets of Account relative to appropriate peers and/or benchmarks. We are available to answer questions Client may have regarding any portion of Client's Account managed by a Sub-Advisor and act as the communication conduit between Client and the Sub-

Advisor.

For accounts managed by us through Symmetry, the investment advisory fees of Eide Bailly and the Sub-Advisor are billed quarterly in arrears and calculated based on the fair market value of the account as of the last business day of the quarter. For the initial quarter, fees are calculated on a prorated basis based on the number of days the account was open in that initial quarter. There can be additional fees or transactions cost from Schwab or Trust Company of America ("TCA") as custodian of the assets.

Sub-Advisor annual fees vary amount the independent Sub-Advisors. The Sub-Advisor fees will be outlined in a separate agreement or as an Addendum to our Asset Management Agreement. Sub-Advisor fees are charged separately from the advisory fee paid to us. Sub-Advisor fees are calculated to deduct the investment advisory fees of both Eide Bailly and the Sub-Advisor, and instructions sent to the qualified custodian for the deduction of such fees.

We will supervise the sub-advisor(s). We may terminate or change the sub-advisor(s) when, in our sole discretion, we believe such termination or change is in your best interest. We will continue to monitor and review asset allocation, asset performance, and your investment needs. Although we review the performance of numerous third-party money manager firms, we enter into only a select number of relationships with third-party money manager firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, we have a conflict of interest because we only recommend third-party investment advisors that agree to compensate us for referring our clients.

You are advised that there may be other third-party programs, not recommended by us, that are suitable for you and that may be more or less costly than arrangements recommended by us. No guarantees can be made that your financial goals or objectives will be achieved by a Sub-Advisor recommended by us. Further, no guarantees of performance can ever be offered by us. **See Item 8, Methods of Analysis, Investment Strategies and Risk of Loss**, for more details.

If we recommend a Sub-Advisor to you, a complete description of their services, fee schedules and account minimums is stated in their Form ADV Disclosure Brochure. These brochures are provided to you when we initially recommend the Sub-Advisor.

While the actual fee charged to you varies depending on the Sub-Advisor and selection of other services utilized, the portion retained by us in the form of solicitor fees or consulting fees will not exceed 2%. Fees are calculated and deducted directly from client's custodial account(s).

## **Newsletters**

We may prepare or contract with an outside vendor or third party to prepare and distribute general, educational and informational newsletters. Newsletters prepared for our clients are provided free of charge via email or by print (if requested)

## **Webinars or Seminars**

Our representatives present informational and educational webinars or seminars to advisory prospects and clients on general financial and investment topics at no charge. In some cases, an outside vendor, advisor firm or money manager is invited to discuss the features of a program(s) sponsored by the outside entity and provided by us. Seminars presented are on an invitation only basis.

## **Commission and Fee Offset**

In addition to providing advisory services, some representatives may be also CPAs, registered representatives and/or insurance agents. Therefore, they earn fees when providing tax service, advisory services and commissions when selling securities and/or insurance products. See, **Additional Compensation**, below.

You may select any broker-dealer or insurance agent you wish to implement transactions recommended by our representatives. If you elect to have our representatives implement the transactions, they may waive or reduce the amount of the advisory fee charged by the amount of the commissions received. Any reduction is at their discretion but does not exceed 100% of the commission received.

You can elect to implement the advice of our representatives through one or more of our advisory programs disclosed in this Disclosure Brochure. In this case, our representatives can waive or reduce the amount of the

advisory fee charged as a result of earning additional ongoing fees. Any reduction is at their discretion and is disclosed to you prior to implementing any transactions or contracting for additional services.

### **Additional Compensation**

Some of our Financial Advisors are also registered representatives of United Planners Financial Services of America, LP ("United Planners"), a registered broker-dealer and member of FINRA and SIPC. In this separate capacity, representatives can receive a commission for selling securities products, which is a potential conflict of interest. As a registered representative, they also sell mutual funds and receive 12(b)-1 fees in addition. The 12(b)-1 fees, named after a section of the Investment Company Act of 1940, are annual marketing or distribution fees and considered an operational or administrative expense. The fees are included as a part of the mutual fund's total expense ratio and paid from fund assets. Therefore, the fees come indirectly from your account. Every mutual fund prospectus includes a description of the fund's fees and expenses. Receiving 12(b)-1 fees represents an incentive for a registered representative to recommend funds with 12(b)-1 fees or with higher 12(b)-1 fees than funds with no fees or lower fees. This is also a potential conflict of interest. Our representatives will only recommend mutual funds to clients if those funds are suitable for you and appropriate to help fulfill your objectives.

We are under common ownership with Eide Bailly Securities, LLC, a limited use broker/dealer registered with FINRA. Some of our representatives and/or management personnel are also registered representatives with Eide Bailly Securities, LLC to provide limited securities services through this entity. No new brokerage accounts are established with Eide Bailly Securities, LLC.

We are under common ownership with Eide Bailly Agency, LLC, a licensed insurance agency. In addition, a certain number of our representatives, principals and associated persons may be licensed with several unaffiliated life, disability and other insurance companies. Our representatives, in their capacities as insurance agents, recommend insurance products offered by these companies. If you purchase these products through our representatives in their separate capacity as insurance agents, they receive fees or commissions. Thus, a conflict of interest exists between our interests and yours. This is a potential conflict of interest, since any commissions earned could be in addition to advisory fees earned in their capacity as an investment advisor representative. Suitable insurance and investment products are also available from other companies. You are under no obligation to purchase products either through Eide Bailly Agency, LLC or through outside insurance companies.

Please see **Item 10, Other Financial Activities and Affiliations, and Item 12, Brokerage Practices**, for additional discussion on these conflicts of interest.

From time to time, we receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. Both we and our representatives endeavor at all times to put your interests first as a part of our fiduciary duty. However, you should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact the judgment of our representatives when making advisory recommendations.

### **Comparable Services**

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

In addition, you could invest in a mutual fund directly, without our services. In that case, you would not receive the benefit of services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate for your financial condition and objectives. Accordingly, you should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by you and to evaluate the advisory services being provided.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not charge nor receive performance-based fees.

## **Item 7 – Types of Clients**

We generally provide investment advice to:

- Individuals (including high-net worth individuals)
- Pension and profit-sharing plans, qualified retirement plans, 403(b) plans
- Trusts, estates or charitable organizations
- Corporations or business entities other than those listed above

Clients are eligible to enroll Seasons Direct account(s) as Individual, Custodial, Community Property, Joint Tenants, Tenants in Common, Contributory IRA, Roth Contributory IRA, Rollover IRA, SEP IRA, SIMPLE IRA, and Revocable Living Trust (with identical grantor and trustee).

### **Minimum Investment Amounts Required**

There is a \$750 minimum fee for written financial plans, consultations, pension consultations and selection and monitoring services charged as a fixed fee. We do not have a minimum account value to utilize our individual asset management services at CS & Co. However, Symmetry Partners as Sub-Advisor has a minimum account size of \$10,000 and Parametric as Sub-Advisor has a minimum of \$250,000. Seasons Direct has a minimum account size of \$5,000 and a minimum for the tax-harvesting feature of \$50,000.

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

### **Methods of Analysis**

Our overall investment philosophy is a strategic and passive asset allocation approach. This means our investment strategy aims to balance both risk and reward in your portfolio by apportioning assets according to your goals, risk tolerance and investment horizon. There are three main asset classes (equities, fixed income and cash/cash equivalents) and each one has a different level of risk and return and each one behaves differently over time. To keep your risk and reward balanced and your assets properly apportioned, we periodically rebalance your portfolio in order to maintain your long-term goals. When considering investment strategies and recommendations for you, we use fundamental, technical and cyclical analysis, which are explained in more detail below.

### **Fundamental**

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, fundamental analysts try to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

### **Technical**

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

## Cyclical

Cyclical analysis looks at recurring periods of expansion and contraction that can impact a company's profitability and cash flow. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (i.e., housing, automobiles, telecommunications, paper, etc.). Non-cyclical industries (i.e., food, insurance, drugs, health care, etc.) are not as directly impacted by economic changes.

## Investment Strategies

We use various investment strategies when implementing advice given to clients:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Margin transactions (Investor pays for part of the purchase and borrows the rest from a brokerage firm; e.g., investor buys \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow securities or cash from Advisor.)
- Option writing (Including covered options, uncovered options or spreading strategies.) (Note: options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.)

We gather information from financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the Securities and Exchange Commission and company press releases.

## Risk of Loss

Investing in securities involves a risk of loss that you should be prepared to bear, including loss of your original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved. Further, depending on the different types of investments, there may be varying degrees of risk:

- Market Risk. Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- Equity (Stock) Market Risk. Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- Company Risk. There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- Options Risk. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- Fixed Income Risk. Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk. ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- Management Risk. Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

When you purchase securities, you pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you borrow part of the purchase price then you are engaging in margin transactions and there is risk involved with this. The securities held in your margin account are collateral for the custodian or clearing firm that loaned you the money. If those securities decline in value, then the value of the collateral supporting your loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm then issues a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, including:

- You can lose more funds than you deposit in your margin account
- The account custodian or clearing firm can force the sale of securities or other assets in your account
- The account custodian or clearing firm can sell your securities or other assets without contacting you
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm moves securities held in your cash account to your margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice
- You are not entitled to an extension of time on a margin call

### **Primarily Recommend One Type of Security**

We do not recommend any specific security to clients. Instead, we recommend any suitable product for each client relative to their specific circumstances and needs.

## **Item 9 – Disciplinary Information**

We have no legal or disciplinary events that are material to your evaluation of our business or the integrity of our management. Therefore, this item is not applicable to our brochure.

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

We do not have a related person that is:

- An 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)
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- A law firm
- A sponsor or syndicator of limited partnerships

We are an SEC registered investment advisor and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives also sell other products or provide services outside of their role as investment advisor representatives with us.

### **Broker-Dealer**

In a separate capacity, the individuals serving as investment adviser representatives may also be a registered representative of United Planners, an unaffiliated broker-dealer registered member of FINRA and SIPC. As a result of this relationship, United Planners may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Client, even if Client does not establish any account through the broker-dealer. If Client would like a copy of the privacy policy of the broker-dealer, please contact your investment adviser representative.

Some of our management personnel are also registered representatives with Eide Bailly Securities, LLC to provide limited securities services. Eide Bailly Securities, LLC is a limited use broker-dealer registered with FINRA and SIPC which is under common ownership with Advisor. No new brokerage accounts are opened or maintained with Eide Bailly Securities, LLC.

These individuals in their capacity as registered representatives may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, alternatives, variable annuity and variable life products to Client. This receipt of commissions creates an incentive to recommend those products for which this individual will receive a commission in his or her separate capacity as a registered representative of a broker-dealer. Consequently, the objectivity of the advice rendered to Client could be biased. No portion of brokerage commissions are paid directly to registered representatives who are employees of Eide Bailly Advisors, but they may impact the future salary of these professionals. Client is not obligated in any manner to utilize the services of the broker-dealer we use and may choose any broker dealer they wish.

### **Insurance Agency**

We are under common ownership with Eide Bailly Agency LLC, a licensed insurance agency. In addition, a certain number of our representatives, principals and associated persons are licensed with several unaffiliated life, disability and other insurance companies. Our representatives, in their capacities as insurance agents, recommend insurance products offered by these companies. If you purchase these products through our representatives in their separate capacity as insurance agents, the Agency receives the fees and commissions which may impact the future salary of these agents. Thus, a conflict of interest exists between our interests and your interests. You are under no obligation to purchase products either through Eide Bailly Agency, LLC or through outside insurance companies.

### **Accounting, Pension Consulting and Real Estate Services**

We are a wholly owned subsidiary of Eide Bailly Financial Services, LLC which is owned and operated by Eide Bailly, LLP. Therefore Eide Bailly, LLP is our parent company and it is engaged in the practice of public accounting, which is its primary business. However, Eide Bailly, LLP is also a pension consultant and real estate dealer. Our officers and representatives are employees, and some are partners of Eide Bailly LLP and some are engaged in the practice of accounting as Certified Public Accountants. We refer clients to Eide Bailly LLP for accounting services, pension consulting services, estate planning, business valuation and/or real estate brokerage services. In addition, clients of Eide Bailly LLP are referred to us. Employees of Eide Bailly LLP are not paid a direct fee based on the actual referrals made to us. You are under no obligation to use Eide Bailly LLP for accounting services, pension consulting services, estate planning, real estate services or any other service offered.

### **Third-Party Money Managers**

As described in **Item 5, Fees and Compensation**, we have formed relationships with independent, third-party money managers.

We recommend clients work directly with third-party money managers. When we refer clients to a third-party money manager, we receive a portion of the fee charged by the third-party money manager. Therefore, we have a conflict of interest because we only recommend third party money managers that agree to compensate us by paying us a portion of the fees billed to your account managed by the third-party money manager.

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

### **Code of Ethics Summary**

According to the Investment Advisors Act of 1940, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. We and our associated persons have a fiduciary duty to all clients. We have established a Code of Ethics as well as policies (e.g. insider trading policy, gift policy, etc.) that all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with our Code of Ethics and policies. Our fiduciary duty to clients is considered the core underlying principle for our Code of Ethics and represents the expected basis for all associated persons' dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own or our

associated persons' investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. We provide full disclosure of all material facts and potential conflicts of interest to clients prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients.

This section is only intended to provide current clients and potential clients with a description of our Code of Ethics. If current clients or potential clients wish to review our Code of Ethics in its entirety, a copy can be requested at no cost from any of our associated persons and it will be provided promptly.

### **Participation in Client Transactions and Personal Trading**

We, our representatives and employees, sometimes buy or sell securities or have an interest or position in a security for our personal accounts that is recommended to clients. We are and will continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. It is our express policy that no one employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, which is designed to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, we have established the following restrictions in order to ensure our fiduciary responsibilities:

1. An officer or employee will not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her possession of material non-public information. No person associated with us will prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for our self and anyone associated with us with access to advisory recommendations. These holdings are reviewed on a regular basis by compliance.
3. All clients are fully informed that certain individuals receive separate compensation when effecting transactions during the implementation process.
4. We require that all officers or employees act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
5. Any individual not observing any of the above may be subject to termination or other sanctions.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of Eide Bailly Advisors, LLC. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

### **Brokerage Recommendations**

If we assist you in the implementation of any recommendations, United Planners will be used as the broker-dealer for your account. Some of our Investment Advisor Representatives are also registered representatives of United Planners, a securities broker-dealer.



## Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker-dealer or custodian. Some investment advisors allow their clients to select whichever broker-dealer the client decides. By requiring clients to use a particular broker-dealer, Eide Bailly Advisors, LLC may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker-dealers may cost clients more money than if the client used a different broker-dealer or custodian. However, for compliance and operational efficiencies, Eide Bailly Advisors, LLC has decided to require our clients to use broker-dealers and other qualified custodians determined by Eide Bailly Advisors, LLC.

## Charles Schwab & Co., Inc. (CS & Co.)

### The custodian and brokers we use

Eide Bailly does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account. **See Item 15 Custody, below.**

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use CS & Co., a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when instructed to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in **Item 14 Client Referrals and Other Compensation**. You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### How we select brokers/custodians

We seek to recommend Schwab, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including: [Select from and add to the following factors that apply to your firm]

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you transaction costs or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions or transaction costs. For other accounts such as Seasons Direct, Schwab’s transaction rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients

collectively maintain a total of at least \$100,000 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay as stated in your client asset management agreement are lower than they would be otherwise. In addition to asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

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

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

### **Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

### **Services that benefit you**

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

### **Services that do not directly benefit you**

Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

### **Services that generally benefit only us**

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

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

**Schwab provides some of these services itself.**

In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources. Our representatives and staff utilize services, tools, software and resources which benefit our firm to help us grow our business. This is a potential conflict of interest. We believe however that our selection of utilizing Schwab, CS & Co. as a custodian and broker is in the best interest of our clients. Our selection is supported by the scope, quality and pricing of services available to our clients.

**Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. In some cases, the services that Schwab pays for are provided by an affiliate of ours or by another party that has some pecuniary, financial or other interests in us or in which we have such an interest. This creates an additional conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

**Best Execution**

While we do not allow directed brokerage, we must still use reasonable diligence to make certain that best execution is obtained for clients when implementing any transactions. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions surrounding the transaction execution is in the best interests of clients. When considering best execution, our associated persons look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems of the advisor, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered. We perform periodic reviews to determine that the relationship with the qualified custodians are still in the best interests of our clients with accounts managed by us.

**Soft Dollar**

Schwab Institutional and Symmetry Partners ("Symmetry") makes available to our firm other products and services that benefit Eide Bailly Advisors, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained by either Schwab nor Symmetry. The products and services provided assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab or Symmetry may make available, arrange and/or pay third-party vendors for the types of services rendered to Eide Bailly Advisors, LLC. Schwab Institutional and Symmetry Partners may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. They may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients use Schwab or Symmetry, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided, which may create a potential conflict of interest.

## **Handling of Trade Errors**

From time-to-time Advisor may make an error in submitting a trade order on your behalf. When this occurs, Advisor may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Advisor will pay for the loss to make the client whole. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted. Eide Bailly does not derive any benefit from correcting a trade error.

## **Block Trades**

Advisors can elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading, or block trading and is used by our firm when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

We use the average price allocation method for transaction allocation. Under this procedure we will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which we or our associated persons may invest, we will do so in accordance with the parameters set forth by SEC guidance. Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews**

All financial planning services terminate upon presentation of the plan or completion of the services. Client may choose to have Planner review and update the plan annually or more frequently to adjust it for changes in Client's financial situation. Client must enter a separate engagement for Planner's services to review and/or update the plan after initial delivery. However, we recommend that you have your financial situation reviewed and updated at least annually. If you elect this review and update, a new client agreement is required and additional fees are charged.

Managed accounts are reviewed at a minimum annually. Accounts at third party money managers are also reviewed at least annually. Account review frequency is discussed at the account opening and are offered more frequently depending upon the client's needs and request. The calendar is the main triggering factor, although reviews will be conducted due to your request, due to a change in your circumstances or due to unusual market, economic or political activity. Our representatives conduct reviews on their own Client accounts. Absent your specific instructions, we review accounts to verify they are performing in accordance with your stated investment objective and strategy. We also review accounts to verify portfolio holdings, appropriate asset allocation, possible re-balancing needs, anti-money laundering concerns, fee calculation accuracy and continued suitability. To assist in these reviews, our

representatives periodically request and review updates to your investment information.

## Account Reports

Financial planning clients do not receive any reports other than the written plan originally contracted for. Asset management clients receive an account statement at least quarterly from your custodian. Additionally, we provide a report at least annually that may include any of the following: a complete listing of securities held, an asset allocation report, an activity report, cost information, a gains and losses report and an internal rate of return report.

You are encouraged to always compare any reports or statements provided by us, a Sub-Advisor or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

## Item 14 – Client Referrals and Other Compensation

### Client Referrals

The firm has entered from time to time into written solicitor agreements to compensate non-supervised persons for client referrals. All Solicitors enter into written agreements with us after stringent review. We provide clients with a copy of the solicitor disclosure statement which outlines, the compensation of the referral fee among other things. As a matter of firm practice, the advisory fees paid to us do not increase as a result of a referral.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

As we have jointly created with Symmetry Partners, the Eide Bailly Seasons Investments, which we may recommend Symmetry or our Seasons Investments to clients which creates a conflict of interest. Other services provided by Symmetry are intended to help us manage and further develop our business. Some of this assistance may benefit our firm but not directly benefit our client accounts. Eide Bailly Advisors, LLC strives to put the interests of our clients first as part of our fiduciary duty. Clients should be aware that the receipt of economic benefit by our firm may indirectly influence our firm's choice.

Please see **Item 10, Other Financial Industry Activities and Affiliations** for our affiliation with the accounting firm of Eide Bailly, LLP and **Item 5, Fees and Compensation** and **Item 12, Brokerage Practices**, for additional discussion about solicitor/referral fees from third party managers, other compensation, non-economic benefits.

## Item 15 – Custody

We do not ordinarily maintain custody of client assets.

We previously discussed in the **Item 5, Fees and Compensation** that we directly debit advisory fees from client accounts. As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. At least quarterly, the custodian is required to send to the client an account statement showing all transactions within the reporting period. Because the custodian does not calculate the fee to be debited, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact us directly if they believe that there is an error in their statement.

Advisor may from time to time provide Client a report that may include but not limited to any of the following: complete listing of securities held, an asset allocation report, an activity report, cost information, a gains and losses report and an internal rate of return report. Client is strongly urged to compare any reports received from Advisor against Client's Account statements received from the qualified custodian(s). Discrepancies between reports received from Advisor and the statements received from the qualified custodian(s) should be reported immediately to Advisor and the qualified custodian(s).

## **Item 16 – Investment Discretion**

In addition to having trading authority on your accounts, we may have discretion in managing and directing the investment of Client accounts. This means we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You also have the ability to place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

If the Client elects to use the Sub-Advisor to manage Client's account, the Client will grant the Sub-Advisor with the discretionary authority (in the sole discretion of the Sub-Advisor without first consulting with the Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the account managed by the Sub-Advisor. The Client will also grant the Sub-Advisor with the power and authority to carry out these decisions by giving instructions, on behalf of client, to brokers and dealers and the qualified custodian(s) of the account.

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

As a matter of firm policy, we do not vote proxies on your behalf. Therefore, Clients maintain responsibility to read through the information provided with the proxy voting document and make an election based on the information provided.

We do not offer any consulting assistance regarding proxy voting to clients. Some third-party money managers that we engage may offer proxy voting. Clients should discuss terms and conditions of such services directly with the manager.

## **Item 18 – Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

We do not believe there are any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to clients.

Finally, we have not been the subject of a bankruptcy petition at any time.