

# Orion Portfolio Solutions Part 2A of Form ADV The Brochure

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Orion Portfolio Solutions, LLC (“OPS”, “we,” “us,” or “our”) is an investment advisor that is registered with the United States Securities and Exchange Commission (“SEC”). Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of OPS. For more information about the brochure and the type of information that is required to be disclosed, see the “General Instructions for Part 2 of Form ADV” by visiting [www.sec.gov/rules/final/2010/ia-3060.pdf](http://www.sec.gov/rules/final/2010/ia-3060.pdf). If you have any questions about the contents of this brochure, please contact us at 800-379-2513 or 859-426-2000. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about OPS is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

This Brochure is dated August 12, 2020. Our last annual filing was on March 30, 2020. Since our last annual filing, the following updates were made:

- Schwab Advisor Services was added as an available custodian for accounts held on the OPS platform. Information was added to this Brochure related to our relationship with Schwab.
- Fidelity Investments was added as an available Strategist. Fidelity has agreed to share a portion of the Strategist Fee with OPS. Information about this arrangement was added to Item 5 – Fees and Compensation.

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# Advisory Business

## Background

Orion Portfolio Solutions, LLC, formerly known as FTJ FundChoice, is a subsidiary of NorthStar Financial Services Group, LLC (“NorthStar”). An investment entity controlled and managed by TA Associates, L.P. and its affiliates (“TA”) owns a majority interest of NorthStar and each of its subsidiaries, including OPS.

OPS has provided reporting and administrative services to affiliated and unaffiliated investment advisors and broker-dealer representatives (collectively “Investment Advisors”) since April 2001. OPS provides a fee-based platform for Investment Advisors to develop their own model portfolios or utilize OPS’s selected institutional portfolio strategists (the “Strategist Program”). For the Strategist Program, we retain third party investment managers that, with exception to CLS Investments, LLC (“CLS”), are not affiliated with OPS (“Strategists”), to design and manage model portfolios that Investment Advisors utilize to manage client assets. In 2003, we registered as an investment advisor with the SEC after the development of our Strategist Program.

Our Strategist Program provides access to asset allocation models developed by OPS or the Strategists (“Strategist Models”). The Strategists regularly monitor the Strategist Models and are responsible for managing the model portfolios on behalf of OPS. However, the Strategists are not acting as your investment advisor, do not possess knowledge of your individual information or investment goals and objectives, and do not provide personalized investment advice to you. You remain the owner of all securities held in your account and have all ownership rights associated with these securities. Visit [orionportfoliosolutions.com/strategists](http://orionportfoliosolutions.com/strategists) to review the investment managers we have engaged as Strategists.

We make available Strategist Models of various risk profiles through our platform. It is up to you and your Investment Advisor to select the most appropriate Strategist Model offered by our Strategist Program. You can elect to utilize multiple Strategist Models within a single custodial account, where each Strategist Model allocation is assigned to a unique subaccount or “sleeve”. This structure is known as a unified managed account (“UMA”). Your account will be invested in accordance with the Strategist Model you select with your Investment Advisor. Once you and your Investment Advisor have selected a Strategist Model, we will provide trading, reporting and administrative services. When a Strategist suggests a transaction in any Strategist Model, we have the authority to conduct trading activity to reflect the transaction in your account, as outlined in the Terms of Services and Use Agreement. Please read that document carefully, as it contains important information on how your account will be managed. When opening an account with us, you will be required to consent to that agreement.

If a Strategist or model is removed from the program, OPS will notify your Investment Advisor of the change and request that action be taken to reassign the account by a specified date. If no action is taken by you or your Investment Advisor, OPS reserves the right to map your account to an alternative model portfolio. No action on the part of the Investment Advisor is considered consent to the recommended alternative model portfolio.

## **Wrap Fee Program**

OPS offers the Strategist Program as a “wrap fee program”, with options to allocate investments to stocks, exchange traded funds, model portfolios, or separately managed accounts. The wrap fee program is managed similarly to what is described in this document. Clients in the wrap fee program pay OPS a Trading and Custody fee, but do not pay separate brokerage commissions or transaction charges for execution of transactions. Please refer to Appendix 1 of our Form ADV Part 2A for additional information on our wrap fee program.

## **Separately Managed Account Program**

The Separately Managed Account (“SMA”) Program is managed by Strategists we have selected. Investment Advisors are responsible for assisting clients in completing a suitability review and the Strategists direct clients’ investments in individual securities accordingly. You remain the owner of all securities held in your SMA with all associated ownership rights. You and your Investment Advisor will select the SMA Program Strategist based on your risk profile and investment objective(s), and the SMA Program Strategists will manage your account accordingly using various investment options and strategies.

## **Trading**

Trading will occur through the brokerage account(s) you establish with a custodian. Strategists will provide OPS with instructions to rebalance or reallocate the model portfolios depending on their asset allocation philosophy or investment manager selection process. These adjustments to the asset allocations will result in transactions in your account. A minimum amount of five dollars per security is required on contributions and rebalance trades, and all model portfolio allocations must contain a minimum 1% allocation to cash. For distributions, positions are redeemed pro-rata unless otherwise specified. The last trade file will be sent to the custodian at or around 3 pm EST. Your Investment Advisor or you instruct OPS that your account will be invested in accordance with the model portfolio as indicated on the New Account Application, Investment Direction Addendum or other relevant OPS form and/or reassignment process. If the model portfolio changes, OPS will rebalance your account to align it with the selected model portfolio. Your Investment Advisor or you may instruct OPS to terminate the use of the model portfolios at any time. You will receive notification of all transactions in your account in the form of an account statement provided by the custodian.

## **Client Exclusions and Security Restrictions**

To the extent you or your Investment Advisor place any restrictions or reject any changes to the Strategist Model, your account will no longer be managed in accordance with the Strategist Model and you or your Investment Advisor will be responsible for managing the account in a different manner. In such case, you will no longer be charged the Strategist Fee.

If you or your Investment Advisor decide that the model portfolio no longer meets your investment needs, the account can be reassigned to a cash model or another type of Strategist Model portfolio.

If you or your Investment Advisor want to reassign your holdings to an alternative model portfolio, the trades will be included in the next trade file after the request has been received.

### **Standalone Services**

The information contained in this document provides an overview of the Strategist Program. Unless otherwise indicated, this brochure does not provide information about the reporting and administrative services offered to Investment Advisors as a standalone service. Investment Advisors may use our platform to manage accounts according to their own proprietary models, in which case our service is limited to providing administrative, trade processing, and recordkeeping services. You should review your Investment Advisor's disclosure document for information about his or her services and fees.

### **Recordkeeping Services**

OPS provides record keeping services for retirement plans who wish to make OPS's Strategist Program available to their plan's participants.

### **Advisory Assets**

As of June 30, 2020, there was approximately \$13 billion in assets on our platform. Approximately \$9,122,419,000 of those assets are considered regulatory assets under management, with approximately \$9,122,419,000 of client assets managed on a discretionary basis and \$0 of client assets managed on a non-discretionary basis.

## **Fees and Compensation**

Fees for our services include Administration Fees, Account Maintenance Fees, Termination Fees, and Strategist Fees. Fees will be deducted from your account monthly in arrears. Unless indicated below, fees are based on the average daily account balance ("ADB") for the previous month. If your account was not open for the entire month, then the fee will be pro-rated.

You should carefully review all fees charged by us, your Investment Advisor, and any funds you are invested in to fully understand the total amount of fees that are paid. It is your responsibility to verify the accuracy of the fee we charge to your account. The fee we collect will appear on your custodial statement, though the custodian does not determine whether the fee has been properly calculated. In addition, a fee summary is available to you through our website. Fees charged by us are separate and distinct from fees and expenses charged by your Investment Advisor, mutual funds or ETFs traded within the Strategist Models, or a Strategist providing a model portfolio. A description of mutual fund or ETF fees and expenses are available in each fund's prospectus.

Our service may be terminated by either party in accordance with the Terms of Services and Use Agreement. You are responsible to pay for services rendered until the termination of the agreement.

The fees listed below are negotiable. For certain Investment Advisors we offer some or all of their clients discounted fees based on the amount of assets an individual client or the Investment Advisor has on our platform, the efficiencies gained by managing multiple clients for the same Investment Advisor, and our relationship with the Investment Advisor.

### **Administration Fees**

You will pay an annual Administration Fee to us for providing our reporting and accounting services. The tiered annual Administration Fee schedule for non-corporate retirement plan accounts opened after November 30, 2015, unless a different arrangement has been mutually agreed upon, is as follows:

From	To	%
\$0.00	\$50,000.00	0.45%
\$50,000.01	\$100,000.00	0.30%
\$100,000.01	\$500,000.00	0.20%
\$500,000.01	\$1,000,000.00	0.15%
\$1,000,000.01	\$5,000,000.00	0.10%
Over \$5,000,000.00		0.08%

The flat annual Administration Fee for corporate retirement plan accounts opened after November 30, 2015, unless a different arrangement has been mutually agreed upon, is 0.30%. Corporate retirement plan accounts are 401(a), 401(k), 403(b) ERISA, and 457.

To calculate the Administration Fee, all accounts in your household are aggregated and we apply that aggregate balance of accounts to the Administration Fee Schedule, as well as any Investment Advisor breakpoint or tiered schedule. A household is defined as all registrations at the same residential address. The aggregation of your household accounts may reduce the total Administration Fee you pay to us.

We distribute a portion of the Administration Fee to certain Investment Advisors who have significant assets invested in our platform or for other reasons, at the discretion of OPS. The amount of any distribution is individually negotiated with each Investment Advisor. Any Administration Fee distributed to an Investment Advisor is retained by that Investment Advisor and does not constitute a reduction in the Administration Fee for you.

### **Account Maintenance Fees**

In addition to the Administration Fee, the current annual Account Maintenance Fee per account is \$25.00 or \$50.00. If you elect to receive statements electronically, the annual fee is \$25 per account or sleeve. If you elect to receive mailed statements and have a sleeved account, then the annual fee is \$50 for the first sleeve and \$25 for each additional sleeve. If you elect to receive mailed statements and have a non-sleeved account, then the annual fee is \$50 per account. The OPS Account Maintenance Fee will be waived for accounts assigned to the tiered OPS Administration Fee schedule in households with \$400,000 or more in assets.

We also charge miscellaneous fees associated with administrative services, such as processing wire or ACH transfers, check fees, low balance fees, asset transfers, or overnighting checks. Please contact us for a list of these fees.

### **Termination Fee**

The current Termination Fee is \$75 per account for full outgoing distributions or non-ACAT transfers. The Termination Fee may be discounted for Investment Advisors who have a significant amount of assets invested on our platform. Any discount is individually negotiated with each Investment Advisor at our discretion.

### **Strategist Fees**

Strategist Fees vary and are in addition to the Administration Fees charged by us and the fees charged by your Investment Advisor. Strategist Fees are billed and collected in the same manner as the Administration Fee. Please refer to your account application for the applicable Strategist Fees. In some instances, we will retain all or part of the Strategist Fee. These Strategists include:

- American Funds – OPS retains 0.10%.
- Russell Investments – OPS retains 0.10%
- Fidelity Investments – OPS retains 0.05%.

The Strategist Fee charged by certain Strategists is retained by OPS and is offset against the OPS Administrative Fees. If this applies to the strategy you select it will be disclosed on the Application Addendum. In addition, some Strategists select affiliated mutual funds when developing their Strategist Model. Certain of these Strategists share a portion of the fees they collect from mutual funds they manage with us. Below are the Strategists who share these fees with us:

- Advanced Asset Management Advisors
- Loring Ward
- Meeder Investment Management
- Ocean Park Asset Management
- PIMCO
- Toews Corporation

These fee sharing arrangements create a conflict of interest since we have an incentive to continue to recommend these Strategists for the Strategist Program. Additionally, Strategists may refer or recommend their clients to invest via our platform. This arrangement creates an incentive for us to keep these Strategists over others that we may be considering. To mitigate these conflicts, our Investment Committee does not take revenue sharing payments into account when determining whether to retain Strategists.

### **Advisory Fees**

Your Investment Advisor will charge an advisory fee for the services they provide. OPS does not receive any portion of the advisory fee as it relates to your account. Your advisory fee will be

authorized by you during the account opening process and may only be increased by your written approval. Based on the schedule of advisory fees provided to OPS, OPS will calculate and deduct the advisory fees from your account in the manner specified in the OPS Terms of Services and Use Agreement. You should review the fees charged by your Investment Advisor which are outlined in your Investment Advisor's Form ADV Part 2A. Fees paid to your Investment Advisor are in addition to any fees charged by us.

### **Fees for Additional Services**

The fees discussed above do not cover certain charges associated with securities transactions in clients' accounts, including: (a) dealer markups, markdowns or spreads charged on transactions in over the counter securities; (b) costs relating to trading in certain foreign securities; (c) the internal charges and fees that may be imposed by any funds, (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses); (d) brokerage commissions or other charges imposed by broker dealers or entities other than the custodian if and when trades are cleared by another broker dealer; and (e) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law. Further information regarding charges and fees assessed by funds may be found in the appropriate prospectus or offering document.

In addition to the redemption fee above, a client may incur redemption fees when the Strategist to an investment strategy determines that it is in the goals of the investment strategy to divest from certain funds prior to the expiration of the minimum holding period of the funds. Some funds also assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific fund for detailed information regarding such fees.

### **Custodian Services**

Custodian services will be provided by an independent qualified custodian. The investments in each model portfolio for non-qualified accounts may be held in either a separate brokerage account or a UMA brokerage account with sleeves at your custodian. The custodian typically receives a shareholder servicing fee from the load-waived mutual funds held by the client accounts. This compensation ranges from 0.0% to 0.40% per annum of the amount invested through the Strategist Program in mutual funds.

## **Performance Based Fees and Side-by-Side Management**

Performance based fees are based on a share of capital gains or capital appreciation of the assets of a client. An advisor charging performance fees to some accounts faces a variety of conflicts because the advisor can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges a fee unrelated to performance (e.g., an asset-based fee). As a result, the advisor may have an incentive to direct the best investment approach, or to allocate or sequence trades in favor of the account that pays a performance fee. OPS does not charge performance based fees.



## **Types of Clients**

OPS primarily provides investment management and recordkeeping services to Investment Advisors and their clients. These Investment Advisors use our Strategist Program or platform to service their clients. Such clients may include individuals, pensions and profit sharing plans, trusts, estates or charitable organizations.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategist**

#### Strategist Program

We utilize specific qualitative and quantitative screening criteria to identify appropriate Strategists for the Strategist Program. The quantitative review focuses on the performance and track record of the Strategist as compared against benchmarks. Our qualitative analysis reviews information surrounding the operations of the Strategists, including history, experience, firm size and structure, investment analysis and decision-making process, and portfolio risk review. Qualitative screening includes a review of each Strategist's organizational history and stability, including depth/experience of investment team and research group, investment process and strategy, internal resource allocation, legitimacy of track record, experience with taxable clients, client servicing capabilities, relationship with OPS, and other characteristics.

Each Strategist is reviewed and analyzed, in detail, by the OPS Investment Committee. On at least an annual basis, the Investment Committee will review the performance of each Strategist Model along with any organizational changes that may have occurred during the year.

In conjunction with the UMA option described earlier in this document, OPS developed a proprietary risk scoring tool for Investment Advisors branded MMS™. This tool assists Investment Advisors in developing and selecting model portfolios by assigning a risk score to each Strategist Model on the OPS platform. The tool also defines each Strategist Model as either strategic, tactical, or diversifier.

As your Investment Advisor determines the Strategist Model to utilize based on your investment needs, you should consult your Investment Advisor's Form ADV Part 2A for a full description of their investment analysis to determine how the Strategist Model selected best suits your investment needs and risk tolerance.

The Strategists are not provided your individual information or investment goals and objectives and do not have an advisory relationship with you. Any questions regarding the management of the model portfolios or your account should be directed to your Investment Advisor, or our Customer Service Representatives at 800.379.2513, option 4.

#### Risk of Loss

The description contained herein is an overview of the risks entailed in our Strategist Program and is not intended to be complete. All investing involves a risk of loss, and the Strategist Program

could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

**Investing in securities is inherently risky.** An investment in mutual funds, exchange-traded funds, or stocks could lose money. OPS and the Strategists cannot give any guarantee that they will achieve their investment objectives or that any client will receive a return of its investment. Although money market funds are considered low risk, they are affected by other types of risk, mainly interest-rate risk and inflation risk. The underlying value of the instruments within the money market fund may change depending on the direction of interest rates.

***Alternative investment mutual funds are speculative and involve substantial risks. It is possible that investors may lose some or all of their investment. Please review the mutual fund prospectus for the risks associated with each alternative mutual fund that you are considering for investment in a Strategist Model.***

**No Guarantees.** The value of your investment could decline and be worth less than the principal initially invested. And while a money market fund seeks a stable share price, its yield fluctuates. In addition, mutual funds are not insured or guaranteed by an agency of the U.S. government. Bond funds, unlike purchasing a bond directly, will not re-pay the principal at a set point in time.

The Strategist Program generates multiple levels of fees and expenses. By investing through the Strategist Program, the investor bears fees charged at different levels as described under *Fees and Compensation*. Thus, investors will be subject to higher operating expenses than if he or she invested in the same funds directly.

## **Disciplinary Information**

OPS, including all employees, has not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

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

As discussed above, we are affiliated with Orion Advisor Solutions, LLC ("Orion"). Orion also has the following affiliates: Advizr, Inc., CLS Investments, LLC, Orion Advisor Technology, LLC ("OAT"), and Constellation Trust Company. Our executive officers also serve as officers and directors of the other NorthStar affiliates.

CLS is an investment adviser registered with the SEC. On the OPS platform, CLS serves as a Strategist that makes certain model portfolios available as part of our Strategist and SMA Programs. Due to the fact CLS is an affiliate, OPS has an incentive to continue to include CLS as a Strategist. In addition, the compensation our sales team receives for new assets on the platform is higher if you invest in a CLS strategy. We are not affiliated with any other Strategists within the Strategist Program. However, certain Strategists will share fees with us as discussed above in *Fees and Compensation*. These fees are negotiated between us and the Strategist. Given this arrangement we have an incentive to continue to make available Strategists that share fees with

us. OPS addresses these conflicts of interest by the application of its policies and procedures related to the selection and oversight of Strategists and disclosure of the fee receipt and affiliation through this Brochure. Furthermore, Investment Advisors, which are not affiliated with OPS, are responsible for working with you to select the most appropriate Strategist. Investment Advisors are able to utilize any Strategist made available as part of the Strategist Program.

OPS employees perform certain operational services for CLS's advisory clients, such as trading and fee billing. For performing these services, we receive a portion of CLS's advisory fee.

CLS serves as the investment adviser to the AdvisorOne Funds. Certain CLS models on the OPS platform utilize the AdvisorOne Funds. CLS receives a management fee from the Affiliated Funds they manage. Please consult the AdvisorOne Funds prospectus, which is available at [www.advisoronefunds.com](http://www.advisoronefunds.com), for additional information.

We utilize the back-office system provided by OAT for trade processing, account management, and performance reporting. We also make available to you financial planning tools from Advizr. OPS believes that the utilization of OAT and Advizr do not create a conflict of interest.

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

We have adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all of our employees and is designed to, among other things, govern personal securities trading activities in the accounts of our employees. The Code contains general ethical principles and personal securities reporting provisions for our employees. In summary, the Code prohibits our employees from taking inappropriate advantage of their positions and the access to information concerning the investments or our investment intentions for our clients, or our ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of our clients. A copy of the Code is available upon request by contacting us at (859) 426-2000.

We and our employees occasionally buy or sell securities identical to those recommended to you. It is our express policy that any person employed by us is prohibited from profiting at the expense of our clients and from competing with our clients.

The Code and other procedures adopted by us contain the following provisions to handle conflicts of interest:

- 1) We maintain records of all securities holdings for our clients, our self, our employees and affiliated parties. These holdings are reviewed on a regular basis by our compliance personnel.
- 2) No individual shall cause or attempt to cause any of our clients to purchase, sell or hold any interest in a security in a manner calculated to create any personal benefit or benefit any employee account. None of our officers or employees shall 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 employment unless the information is also available to the investing public upon reasonable inquiry.

3) Each of our employees submits quarterly reports and acknowledges the firm's policies and procedures with respect to the Code on an annual basis.

4) Each employee's personal trading accounts are reviewed on a regular basis by compliance personnel.

5) Any employee not in observance of the above will be subject to disciplinary action, and possible termination.

## **Brokerage Practices**

To participate in our Strategist Program, we require that your account be held with a custodian. We submit trades directly to your custodian. If you direct us to manage assets with a specific broker-dealer or custodian, including broker-dealers and custodians that have been pre-approved by us, you have the sole responsibility for negotiating commission rates and other transaction costs. If you select a specific broker, we will not be required to affect any transaction through the specified broker if we reasonably believe that to do so would result in a breach of our fiduciary duties. You are advised that by instructing us to execute all transactions on behalf of your account through the specified broker, a disparity may exist between the commissions borne by your account and the commissions borne by our other clients that do not direct us to use a specified broker. You may also not necessarily obtain commission rates and execution as favorable as those that would be obtained if we were able to place transactions with other broker-dealers. You also may forego benefits that we may be able to obtain for our clients through negotiating volume discounts or block trades.

To the extent that we are responsible for selecting the broker-dealer to effect transactions for your account, we seek to achieve best execution for client transactions such that the net proceeds to the client and the overall qualitative execution are the most favorable under the circumstances. In selecting a broker-dealer, we consider the full range and quality of the services offered by the broker-dealer, including, but not limited to, execution capabilities, the commission rate charged, the value of research provided, the ability to obtain volume discounts, the broker-dealer's financial responsibility and their responsiveness to us and our clients. Please see Client Referrals and Other Compensation below for information regarding services and benefits we may receive from TD Ameritrade.

Whenever possible, client trades are aggregated or block traded. The process of aggregating client trades is done in order to achieve better execution, to negotiate more favorable commission rates and to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when trades are placed independently. Aggregated orders are allocated to clients according to the average price of the order. Under this procedure, we 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.

## **Funding Your Account**

You have four choices to fund your account:

1. Check
2. ACH (Automated Clearing House)
3. ACAT (Automated Customer Account Transfer Service)
4. Wire Transfer

Once the custodian receives your funds, you will not be able to withdraw new deposits from your account for seven business days to provide proper check clearance. If you select ACAT as your funding choice, your assets at the previous custodian will be “transferred in-kind”. Consult your Investment Advisor prior to an ACAT transfer regarding permissible assets.

### **Withdrawal from the Program**

You may terminate the Program at any time by providing written notice to us. We require that you have an Investment Advisor to participate in the Program. If you are unable to find a replacement, OPS has the right to terminate your participation in the Program.

### **Trade Error Policy**

We have internal controls for the prevention of trade or model portfolio allocation errors, however, on occasion, errors may occur. We recommend that you regularly review your custodial statements. In the event you identify an error, you have 45 days from your statement date to notify us of its existence. Upon notification, we will perform an analysis of the reported discrepancy. If OPS is responsible for the error, we will seek to correct the error in a way that returns your account to where it would have been had the error not occurred. In the event an error results in a gain, OPS or your custodian will retain such gains.

We maintain a record of identified errors, including details of the original transaction and the corrective actions.

## **Review of Accounts**

Strategist portfolios are subject to quantitative and qualitative reviews initially, and periodically thereafter by our Investment Committee. It is you or your Investment Advisor’s responsibility to review your account. Please review your Investment Advisor’s Form ADV Part 2A to understand their review process over your account.

We make quarterly performance evaluations available to you that describe your current investment information. We use this information as the primary reference for managing your account. If your goals or investment objectives have changed, you are instructed to promptly your Investment Advisor. If the information is current, no further action is required. You also have access to your account information at all times via our website where you can view important information regarding the management of your account.

Account reviews are facilitated through an arrangement with OAT, one of our affiliates. We have engaged OAT to provide a “back office” system which enables us to gather and aggregate client data from multiple platforms and providers, maintain portfolio models, review models and accounts for variances, analyze account performance, generate quarterly statements and other reports, facilitate the trading of client accounts and make information available on-line via the internet, in a secure manner, to you and your Investment Advisor.

## **Client Referrals and Other Compensation**

We receive compensation for client referrals to Investment Advisors. In order for us to receive compensation for the referral, the potential client must engage the Investment Advisor. OPS receives a percentage of the Investment Advisor’s fee. Information about this relationship is disclosed to the referred clients prior to or at the time of entering into any investment advisory contract with the Investment Advisor. OPS does not compensate any person for client referrals.

We compensate Investment Advisors for certain approved marketing reimbursement expenses, including but not limited to client appreciation events. Certain investment advisory firms are paid a fee for the administrative and due diligence expenses incurred in offering OPS’s services to clients of their Investment Advisors. These fees are either a flat dollar amount or are based upon a percentage of the value of new or existing accounts referred to OPS by the applicable Investment Advisors. These fees may also be used to sponsor conferences hosted by Investment Advisors or their investment advisory firms. Investment Advisors are invited to attend seminars and meetings hosted by OPS. The purpose of these meetings is to provide general market and industry information as well as information about OPS’s services. For certain Investment Advisors, we bear the full costs associated with Investment Advisors attendance of such meetings.

### **TD Ameritrade**

OPS participates in TD Ameritrade’s Institutional customer program and we recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between OPS’s participation in the program and the services it gives to its clients, although OPS receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving OPS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to OPS by third party vendors. These benefits include various technological tools. TD Ameritrade may also have paid for business consulting and professional services received by OPS’s related persons. Some of the products and services made available by TD Ameritrade through the program may benefit OPS, but may not benefit its client accounts. These products or services may assist OPS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by

TD Ameritrade are intended to help OPS manage and further develop its business enterprise. The benefits received by OPS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware that the receipt of economic benefits by OPS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence OPS's choice of TD Ameritrade for custody and brokerage services.

OPS also receives certain additional economic benefits ("Additional Services") from TD Ameritrade that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include Orion, Advisory World, TSCI, Refintiv, Wilshire Associates, Rocaton Investment Advisors, and DocuSign. TD Ameritrade provides the Additional Services to OPS in its sole discretion and at its own expense, and OPS does not pay any fees to TD Ameritrade for the Additional Services. OPS and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

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

### **Schwab Advisor Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. 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 and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

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 clients or their account(s).

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and

that of third parties. We may use this research to service all or some 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:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

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

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

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

## **Custody**

We do not maintain physical custody of your funds or securities; a qualified custodian unaffiliated with OPS, maintains custody of your assets. Your custodian will provide you a statement (at least quarterly) identifying the amount of funds and of each security in your account at the end of the reporting period and setting forth all transactions in your account during the reporting period. Individual trade confirmations and reports of account activity may also be provided by your custodian. We also make various reports and quarterly performance evaluations accessible to you via secure internet access. Please review these statements and compare them to any supplemental reports provided to you by OPS or your Investment Advisor. The information in these supplemental advisory reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Investment Advisor or OPS regarding any discrepancies. OPS provide the custodians certain services in respect to custody arrangements. As such, a custodian will reimburse OPS for certain costs. OPS reserves the right to change the custodian and will notify you 30 days prior to such change.

## **Investment Discretion**

For accounts within the Strategist Program, you authorize us to place trades in your account in accordance with the Strategist Model you select. At your discretion, or the discretion of your Investment Advisor, you have the ability to remove your account from the Strategist Program at



any time without a termination fee.

## **Voting Client Securities**

We will not exercise proxy voting authority. The obligation to vote proxies shall at all-times rest with you. The custodian will send all proxy information directly to you. You should contact your Investment Advisor if you have questions about voting proxies.

## **Financial Information**

OPS has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to administer your account.