

**Item 1 - Cover Page**

**Brochure**

**Form ADV Part 2A**



**CRD# 125549**

<b>MAIN OFFICE</b> 125 Plantation Centre Drive, South Building 400-B Macon, Georgia 31210	226 Gainesville Highway Blairsville, Georgia 30512
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(478) 474-7480

**[www.DayandEnnis.com](http://www.DayandEnnis.com)**

**March 27, 2020**

This Brochure provides information about the qualifications and business practices of Day & Ennis, LLC. If you have any questions about the contents of this Brochure, please contact us at (478) 474-7480 or at [Bennis@DayandEnnis.com](mailto:Bennis@DayandEnnis.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Day & Ennis, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Day & Ennis, LLC also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## **Item 2 - Material Changes**

There have been no material changes made to Day & Ennis, LLC's Brochure since the last update to this Brochure, which was dated June 11, 2019, through the date of this filing.

Please note that other changes were made to this Brochure, which are not discussed in this summary. Consequently, we encourage you to read the Brochure in its entirety.

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#### ***Item 4 - Advisory Business***

##### **General Information**

Day & Ennis, LLC (“Day & Ennis” or the “firm”) was formed in June 1998 and provides fee-only financial planning and portfolio management services to its clients. The firm does not sell any products or accept any commissions.

John R. Day, Matthew E. Heller, William W. Ennis and Stephanie G. Hall are the owners of Day & Ennis.

##### **Services Provided**

At the outset of each client relationship, Day & Ennis spends time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and broadly identifying major goals of the client.

Clients retain Day & Ennis to manage the investment portfolio on an ongoing basis. In many cases, clients also retain Day & Ennis to prepare a comprehensive financial plan. This written report addresses the client’s retirement, cash flow and debt management, estate planning, income tax planning, insurance and risk management, and investment strategy as appropriate in each circumstance.

Based on all the information initially gathered, Day & Ennis develops with each client:

- An Investment Policy Statement (“IPS”) detailing the client’s investment objectives and guidelines for investment. The IPS outlines the types of investments Day & Ennis will make or recommend on behalf of the client.
- For individual clients where Day & Ennis develops a comprehensive financial plan, the client is provided with an analysis in both written and verbal forms noting the client’s specific financial goals, and the steps to be taken to best achieve those goals. This analysis is updated periodically as a client’s financial circumstances change or as otherwise requested by the client.

The Plan and IPS are discussed regularly with each client.

##### **Financial Planning**

One of the services offered by Day & Ennis is financial planning.

Financial planning generally includes advice that addresses one or more areas of a client’s financial situation, such as estate planning, risk management, budgeting and cash flow controls, income tax planning, retirement planning, education funding, and investment portfolio design. Depending on a client’s particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client’s personal and financial situation;
- Assisting the client in documenting financial goals and objectives;

- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning recommendations for client to review with their attorney;
- Assessing risk and reviewing basic health, life and disability insurance needs;
- Reviewing goals and objectives and measuring progress toward these goals; and
- Providing tax recommendations for client to review with their tax return preparer.

Once financial planning advice is given, Day & Ennis will assist the client to implement their financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by Day & Ennis under a financial planning engagement and/or engage the services of any recommended professional.

#### Portfolio Management

As described above, at the beginning of a client relationship, Day & Ennis meets with the client, gathers information and performs research and analysis as necessary to develop the client's IPS. The IPS will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Day & Ennis based on updates to the client's financial or other circumstances.

To implement the client's IPS, Day & Ennis will manage the client's investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment adviser, Day & Ennis will have the authority to execute trades in the account(s) under management without first contacting the client regarding a trade. Any such trade made by Day & Ennis is consistent with the IPS which has been previously reviewed and signed by the client. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This can result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on Day & Ennis in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments (e.g., commodities) in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Day & Ennis.

### Retirement Plan Advisory Services

Establishing a sound fiduciary governance process is vital to good decision-making and to ensuring that prudent procedural steps are followed in making investment decisions. Day & Ennis will provide Retirement Plan consulting services to Plans and Plan Fiduciaries as described below. The particular services provided will be detailed in the Investment Advisory Agreement. The appropriate Plan Fiduciary(ies) designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan. Retirement Plan consulting services may be offered individually or as part of a comprehensive suite of services.

The Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Day & Ennis will be considered a fiduciary under ERISA. For example, Day & Ennis will act as an ERISA § 3(21) fiduciary when providing non-discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain Day & Ennis to act as an investment manager within the meaning of ERISA § 3(38), Day & Ennis will provide discretionary investment management services to the Plan. With respect to any account for which Day & Ennis meets the definition of a fiduciary under Department of Labor rules, Day & Ennis acknowledges that both Day & Ennis and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Day & Ennis and Client.

### Fiduciary Consulting Services

- *Investment Selection Services*  
Day & Ennis will provide Plan Fiduciaries with recommendations of investment options consistent with ERISA section 404(c). Plan Fiduciaries retain responsibility for the final determination of investment options and for compliance with ERISA section 404(c).
- *Non-Discretionary Investment Advice*  
Day & Ennis provides Plan Fiduciaries and Plan Participants general, non-discretionary investment advice regarding asset classes and investments.
- *Investment Monitoring*  
Day & Ennis will assist in monitoring the plan’s investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and Day & Ennis will make recommendations to maintain or remove and replace investment options. The details of this aspect of service will be enumerated in the engagement agreement between the parties.

### Fiduciary Management Services

- *Discretionary Management Services*  
When retained as an investment manager within the meaning of ERISA § 3(38), Day & Ennis provides continuous and ongoing supervision over the designated retirement plan assets. Day & Ennis will monitor the designated retirement plan assets and provide ongoing management of the assets. When applicable, Day & Ennis will have discretionary authority

to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with the Plan Fiduciaries. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

- *Discretionary Investment Selection Services*

Day & Ennis will monitor the investment options of the Plan and add or remove investment options for the Plan without prior consultation with the Plan Fiduciaries. Day & Ennis will have discretionary authority to make and implement all decisions regarding the investment options that are available to Plan Participants.

- *Investment Management via Model Portfolios*

Day & Ennis will provide discretionary management of Model Portfolios among which the participants may choose to invest as Plan options. Plan Participants will also have the option of investing only in options that do not include Model Portfolios (i.e., the Plan Participants may elect to invest in one or more of the mutual fund or ETF options made available in the Plan, and choose not to invest in the Model Portfolios at all).

#### *Non-Fiduciary Services*

- *Participant Education*

Day & Ennis will provide education services to Plan Participants about general investment principles and the investment alternatives available under the Plan. Education presentations will not take into account the individual circumstances of each Plan Participant and individual recommendations will not be provided unless a Plan Participant separately engages Day & Ennis for such services. Plan Participants are responsible for implementing transactions in their own accounts.

#### *Participant Enrollment*

Day & Ennis will assist with group enrollment meetings designed to increase retirement Plan participation among employees and investment and financial understanding by the employees.

As of December 31, 2019, Day & Ennis managed \$312,461,141 on a discretionary basis, and \$559,468 of assets on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### General Fee Information

Fees paid to Day & Ennis are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see **Item 12 - Brokerage Practices** for additional information. Fees paid to Day & Ennis are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Day & Ennis and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

### Financial Planning Fees

For a comprehensive financial plan, Day & Ennis may charge a fee generally starting at \$10,000, depending upon the scope of the project and the extent of service requested by the client. In addition, a comprehensive financial plan is offered to all clients at no additional charge if their minimum annual portfolio management fee exceeds \$10,000. The fee is agreed upon between the client and Day & Ennis prior to the engagement's commencement. Fees are billed on a progress basis, unless otherwise agreed in advance. Day & Ennis, at its discretion, may make exceptions to the foregoing fee arrangements where Day & Ennis deems it appropriate under the circumstances. In the event of termination, any work completed will be provided to the client, and the fees due will reflect a prorated amount commensurate with the amount of work done at time of termination.

### Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1,000,000	1.00%
Next \$2,000,000	0.80%
Balance above \$3,000,000	0.60%

The firm does not receive any commissions or fees for the sale of products.

Day & Ennis may impose a minimum portfolio value. The minimum quarterly fee for any client that receives comprehensive financial planning is \$2,500. There is no minimum fee for clients that elect not to have a comprehensive financial plan. Day & Ennis may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Day & Ennis deems it appropriate under the circumstances. Fees for pension and profit sharing plans are generally negotiated on an individual basis.

Portfolio management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

Either Day & Ennis or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Day & Ennis from the client will be invoiced or deducted from the client's account prior to termination.

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

Day & Ennis does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Day & Ennis has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

Day & Ennis serves individuals, high net worth individuals, pension and profit-sharing plans and charitable organizations. Day & Ennis may impose a minimum portfolio value eligible for conventional investment advisory services or a minimum annual fee for clients who receive comprehensive financial planning services.



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

### **Methods of Analysis**

In accordance with the Investment Plan, Day & Ennis will primarily invest in Exchange Traded Funds (ETFs) and mutual funds. Day & Ennis will also purchase common stocks at the request of clients or will hold common stocks that were legacy positions.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, without limitation, asset class, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Day & Ennis will generally evaluate and select bond funds or individual bonds based on a number of factors including, without limitation, rating, yield and duration.

In considering specific investment vehicles, Day & Ennis will employ one or more of the following methods of analysis:

Technical Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to anticipate future price movements based on price patterns and trends.

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry.

### **Investment Strategies**

The investment strategy and target asset allocation for each client is based on their unique situation and their tolerance for risk. Day & Ennis believes in having broadly diversified portfolios, consisting primarily of investments in ETFs and mutual funds, in the following asset class categories: Core Equities, Non-Core (includes US REITs, International REITs, International Small Companies, High Yield Bonds, Emerging Market Equity, Emerging Market Debt or Bonds, Commodities and Floating Rate Bank Debt), Alternatives, Core Fixed Income and Cash and Temporary Cash Investments.

## **Risk of Loss**

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All investing and trading activities risk the loss of capital. Although we will attempt to moderate these risks, no assurance can be given that the investment activities of an account we advise will achieve the investment objectives of such account or avoid losses. Direct and indirect investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. It is important that you understand the risks associated with investing in the types of investments and strategies listed above.

Except as may otherwise be provided by law, we are not liable to clients for:

- Any loss that you may suffer by reason of any investment decision made or other action taken or omitted by us in good faith;
- Any loss arising from our adherence to your instructions or the disregard of our recommendations made to you; or
- Any act or failure to act by a custodian or other third party to your account.

The information included in this Brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. You are encouraged to ask questions regarding risks applicable to a particular strategy or investment product and read all product-specific risk disclosures. It is your responsibility to give us complete information and to notify us of any changes in financial circumstances or goals.

There are certain additional risks associated when investing in securities; including, but not limited to:

- Market Risk: Either the stock market as a whole, or the value of an individual company or fund, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Legal and Regulatory Risks: The regulation of the U.S. and non-U.S. securities and futures markets investment funds has undergone substantial change in recent years and such change may continue. In particular, in light of the recent market turmoil there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. Some of the additional regulation includes requirements that private fund managers register as investment advisers under the Advisers Act and disclose various information to regulators about the positions, counterparties and other exposures of the private funds managed by such managers. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions may be promulgated at any time. Such restrictions may adversely affect the returns of Underlying Investment Funds that utilize short selling. The effect of such regulatory change on the accounts and/or the underlying investment funds, while impossible to predict, could be substantial and adverse.
- Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. The firm's portfolios face inflation risk, which results from the variation in the value of cash flows from a financial instrument due to inflation, as measured in terms of purchasing power.
- Market or Interest Rate Risk: The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If the firm holds a fixed income security to maturity, the change in its price before maturity may have little impact on the firm portfolios' performance. However, if the firm determines to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss.
- Market Volatility: The profitability of the portfolios substantially depends upon the firm correctly assessing the future price movements of stocks, bonds, options on

stocks, and other securities and the movements of interest rates. The firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

- Material Non-Public Information: By reason of their responsibilities in connection with other activities of the firm and/or its principals or employees, certain principals or employees of the firm and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The firm will not be free to act upon any such information. Due to these restrictions, the firm may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- Accuracy of Public Information: The firm selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the firm by the issuers or through sources other than the issuers. Although the firm evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the firm is not in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.
- Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the account to loss. Also, such a suspension could render it impossible for the firm to liquidate positions and thereby expose the Client account to potential losses.
- Recommendation of Particular Types of Securities: In some cases, the firm recommends mutual funds. There are several risks involved with these funds. These funds have portfolio managers that trade the fund's investments in agreement with the fund's objective and in line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage, or concentrates in a certain type of security (i.e. foreign equities). The returns on mutual funds can be reduced by the costs to manage the funds. And the shares rise and fall in value according to the supply and demand. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds have limited shares which rise and fall in value according to supply and demand in the market. In addition, closed end funds are priced daily and as a result they may trade differently than the daily net asset value (NAV).
- Firm's Investment Activities: The firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The markets may be volatile, which may adversely affect the ability of the firm to realize profits on behalf of its Clients. As a result of the nature of the firm's investing activities, it is possible that the firm's results may fluctuate substantially from period to period.

- Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Risks Associated with Fixed Income: When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may increase and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- ETF and Mutual Fund Risk: When investing in an Exchange-Traded Fund (ETF) or mutual fund, a client will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing or selling ETFs.
- Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Liquidity Risk: Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- Management Risk: Your investments will vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If you implement our financial planning recommendations and our investment strategies do not produce the expected results, you may not achieve your objectives.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to bonds.
- Call Risk: Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood

- that reinvestment risk may be realized.
- Credit Risk: The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- Speculation Risk: The securities markets are populated by traders whose primary interest is in making short-term profits by speculating whether the price of a security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of securities.
- Geopolitical Risk: The risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Foreign Market Risk: The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. The limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and time it believes is advisable. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.
- Counterparty and Broker Credit Risk: Certain assets will be exposed to the credit risk of the counterparties when engaging in exchange-traded or off-exchange transactions. There may be a risk of loss of assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions, or the bankruptcy of an exchange clearinghouse.
- Leverage Risk: Day & Ennis does employ leverage in the implementation of its investment strategies. In addition, some ETFs and CEFs also employ leverage. Leverage increases returns to investors if the investment strategy earns a greater return on leveraged investments than the strategy's cost of such leverage. Although it is not Day & Ennis' strategy to incur margin, Day & Ennis will do so when directed by a client; however, the use of leverage exposes investors to additional levels of risk and loss that could be substantial.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Day & Ennis or the integrity of

Day & Ennis' management. Day & Ennis has no disciplinary events to report.

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

Neither Day & Ennis nor its Management Persons have any other financial industry activities or affiliations to report.

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

Code of Ethics and Personal Trading

Day & Ennis has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Day & Ennis' Code has several goals. First, the Code is designed to assist Day & Ennis in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Day & Ennis owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Day & Ennis (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Day & Ennis' associated persons. Under the Code's Professional Standards, Day & Ennis expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Day & Ennis' associated persons are not to take inappropriate advantage of their positions in relation to Day & Ennis' clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Day & Ennis' associated persons may invest in the same securities recommended to clients. Under its Code, Day & Ennis has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations. Day and Ennis also reserves the right to disapprove any proposed transaction that may have the appearance of improper conduct.

Participation or Interest in Client Transactions

Because client accounts are invested almost exclusively in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by Day & Ennis' associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, Day & Ennis' goal is to place client interests first.

Consistent with the foregoing, Day & Ennis maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts

with client transactions. If a Day & Ennis' associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Day & Ennis' written policy.

## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, Day & Ennis seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Day & Ennis may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Day & Ennis' clients. Therefore, research services received may not be used for the account for which the particular transaction was executed.

Day & Ennis recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. Day & Ennis will also place trades for client accounts at Schwab, or may in some instances, consistent with Day & Ennis' duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although Day & Ennis may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. Day & Ennis is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides Day & Ennis with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help Day & Ennis manage or administer our clients' accounts while others help Day & Ennis manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Day & Ennis' client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Day & Ennis other products and services that benefit Day & Ennis but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Day & Ennis' accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Day & Ennis in managing and administering 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 pricing and other market data; (iv) facilitate payment of Day & Ennis' fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Day & Ennis manage and further develop its business enterprise. These services may include: (i) technology, 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 may make available, arrange and/or pay third-party vendors for the types of services rendered to Day & Ennis. Schwab Advisor Services 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 Day & Ennis. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Day & Ennis' personnel. In evaluating whether to recommend that clients custody their assets at Schwab, Day & Ennis 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 it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### Directed Brokerage

Day & Ennis does not generally allow directed brokerage accounts.

#### Aggregated Trade Policy

Day & Ennis typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Day & Ennis may aggregate trades together for multiple client accounts, most often when these accounts are being directed to buy or sell the same securities. If such an aggregated trade is not completely filled, Day & Ennis will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Day & Ennis or its officers, directors, or employees will be excluded first.

#### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Day & Ennis. Also, portfolios are reviewed upon client request or upon receipt of information material to the management of a client portfolio, such as a change in a client's individual situation. John R. Day, President and Managing Member, reviews all accounts, Bill Ennis, Member and Chief Compliance Officer, Stephanie Hall, Member, and Matt Heller, Member, may assist in these reviews.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, Day & Ennis provides quarterly reports for each managed portfolio. This report normally includes a summary of



portfolio holdings and performance results. Additional reports are available at the request of the client and through our portal.

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

As noted above, Day & Ennis receives an economic benefit from Schwab in the form of support products and services it makes available to Day & Ennis and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit the firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to Day & Ennis is based solely on participation in the programs and not in the provision of any particular investment advice. Neither Schwab nor any other party is paid to refer clients to Day & Ennis.

#### ***Item 15 - Custody***

Schwab is the custodian of the majority of client accounts at Day & Ennis. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Day & Ennis of any questions or concerns. Clients are also asked to promptly notify Day & Ennis if the custodian fails to provide statements on each account held.

From time to time and in accordance with Day & Ennis' agreement with clients, Day & Ennis will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to the timing of dividend reporting and pending trades.

#### ***Item 16 - Investment Discretion***

As described in ***Item 4 - Advisory Business***, Day & Ennis will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Day & Ennis the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client, made payable to the client; and, the withdrawal of advisory fees directly from the account. Day & Ennis then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Day & Ennis and the requirements of the client's custodian.

For *non-discretionary accounts*, the client also generally executes an LPOA, which allows Day & Ennis to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Day & Ennis and the client, Day & Ennis does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Day & Ennis' agreement with the client and the requirements of the client's custodian.

#### ***Item 17 - Voting Client Securities***

As a policy and in accordance with Day & Ennis' client agreement, Day & Ennis does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Day & Ennis with questions

relating to proxy procedures and proposals; however, Day & Ennis generally does not research particular proxy proposals.

***Item 18 - Financial Information***

Day & Ennis does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.