

Part 2A of Form ADV: Firm Brochure



300 Marconi Boulevard, Suite 106
Columbus, Ohio 43215
(614) 228-4300
www.josephgroup.com
March 26, 2020

This brochure provides current and prospective clients (you, your) with important information about the qualifications and business practices of The Joseph Group (us, we, our). If you have any questions about the contents of this brochure, please contact us at 614-228-4300 and/or www.josephgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about our firm is also available at the SEC's website www.adviserinfo.sec.gov (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2A of our Form ADV.

Item 2: Material Changes (since the last update to Part 2A of our ADV which was made on March 21, 2019):

- On January 1, 2020 R. Travis Upton was promoted to Chief Executive Officer and continues to serve as Chief Investment Officer. Matthew D. Palmer assumed the title of Chairman on January 1, 2020.

The Joseph Group has made minor disclosure additions and enhancements regarding Advisory Business, Methods of Analysis, Investment Strategies and Risk of Loss and Brokerage Practices in Items 4, 8, and 11 below.

The Joseph Group's Chief Compliance Officer, B. Scott Mizer remains available to address any questions that a client or prospective client may have regarding material contained in this document, any corresponding perceived conflict of interest or any other matter. He may be reached at the phone number and/or address on the cover page of this document.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance-Based Fees.....	6
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9: Disciplinary Information.....	10
Item 10: Other Financial Industry Activities and Affiliations	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Item 12: Brokerage Practices	11
Item 13: Review of Accounts	13
Item 14: Client Referrals and Other Compensation	13
Item 15: Custody	13
Item 16: Investment Discretion.....	14
Item 17: Voting Client Securities	14
Item 18: Financial Information	14
Item 19: Retirement Investors and ERISA Matters	14

Item 4: Advisory Business

The Joseph Group LLC (dba The Joseph Group Capital Management) has a simple but powerful mission: to help our clients live great lives one story at a time. We strive to help client's identify their Purpose and use our Portfolios as well as Planning to live out that Purpose and fulfill their dreams. We were established in 1999 with the formation of The Joseph Group, Inc. (an Ohio sub-chapter S corporation) by twin brothers Matt Palmer and Mark Palmer. In 2012, The Joseph Group LLC (an Ohio limited liability company) was formed and registered with the U.S. Securities Exchange Commission as an Investment Adviser. Client-Adviser relationships with The Joseph Group, Inc. were then moved to The Joseph Group LLC. The majority of the units of The Joseph Group LLC are owned by The Joseph Group, Inc. and a minority of the units are owned by 3 other Team Members. The Joseph Group, Inc. is owned 50% by Matthew D. Palmer and 50% by Mark J. Palmer. The Joseph Group, Inc. is no longer registered with the U.S. Securities Exchange Commission as an Investment Adviser and has no other business activities.

We provide discretionary investment management and related investment advisory services. "Discretionary" investment management means you have given us authority to make investment changes in your account consistent with your objectives without the need to consult you in advance of the changes. In addition to investment management services, we make available to you wealth management planning services (at no additional charge) in several areas including, but not limited to: retirement, college funding, cash flow, tax, insurance, and estate planning.

We also provide consultation services to plan sponsors of group retirement plans regarding a plan's platform of available investments. In addition to Investment Guidance, we make available to you (at no additional charge) Education Engagement & Fiduciary Guidance.

The process starts with helping you identify your purpose which leads to establishing goals and objectives. Once your goals and objectives are determined, each goal and objective is then matched with one of our investment strategies (discussed later in Item 8: Methods of Analysis, Investment Strategies and Risk of Loss). Accounts we manage have one of these strategies as the target allocation; however, you can always provide us with reasonable restrictions on specific securities or certain types of securities. As we work with you, our advisers proactively identify your financial planning needs and attempt to address those needs.

As of December 31, 2019, the total assets we had under management *and* consulted on was \$569,850,000. Of that total, The Joseph Group's total regulatory discretionary assets under management were \$508,043,000 and the remaining \$61,807,000 of assets were comprised of group retirement plan assets for which we consult.

Miscellaneous:

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. We generally provide planning and consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. Generally, such services are included in our advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, advanced planning needs, special projects, etc. for which we may charge a mutually agreeable additional fee).

We do not serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, we do not prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by you, we may recommend the services of other professionals for non-

investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). You are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from us and/or our representatives.

Further, if you engage any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not The Joseph Group, shall be responsible for the quality and competency of the services provided.

Client Obligations. In performing our services, we shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by us) will be profitable or equal any specific performance level(s).

Item 5: Fees and Compensation

We are compensated on a fee-only basis (percentage of account assets) rather than commission basis. We do not receive loads, trading costs, transaction fees, 12b-1 fees, or any other form of compensation. This eliminates any incentive for us to trade excessively in your account. Therefore, our goal matches your goal: long-term appreciation of account values.

For Wealth Advisory clients, we typically receive an annual investment advisory fee based on a percentage of the market value of a client's assets for our discretionary assets under management in accordance with the following schedule (under certain circumstances the fee schedule is negotiable):

1.0% on the first \$1 million of an account's market value;
0.8% on the next \$1 million;
0.6% on the next \$2 million;
0.4% on the next \$2 million;
0.2% on the balance.

One-fourth of the above fee schedule is charged each calendar quarter, in advance, based on the market value of your account as of the last day of the prior calendar quarter. In cases where the custodian (e.g. Charles Schwab & Co., Inc.) allows us to deduct fees from your account, we request you authorize us to invoice the custodian and deduct those fees from your account each quarter. However, there are cases where a custodian will not allow us to deduct fees, and in these instances (or if you request to be direct billed), you may be billed directly each quarter.

In addition, we may charge fixed rate fees to some clients based on the type of service provided.

We reserve the right to negotiate our investment management fees. You may pay more or less than others depending on certain factors, including but not limited to, the type and size of the account, the range of additional services provided to you and the total number of assets managed for you. The fees that we charge for investment management services are specified in your investment management agreement with us.

Because we receive our fee for discretionary managed assets in advance each calendar quarter, our fee for a particular calendar quarter is fully refundable if you or we terminate the advisory agreement in writing within the first month of the calendar quarter.

Fees charged to our group retirement plan clients are an annual flat percentage of assets or on a tiered schedule (as a percent of assets) and negotiated on a plan-by-plan basis. The fees are charged in arrears and may be taken monthly or quarterly (depending upon the investment platform) and are based on the assets under management as of the last day of the previous month or quarter.

All other financial management services we make available to you, such as financial, retirement and estate planning consulting are typically provided at no additional charge.

Custodian Charges-Additional Fees: In addition to our investment management fee, you may incur additional fees in connection with a custodian or a specific investment which are not paid to us. These expenses could include commissions on the purchase or sale of an investment, transaction fees, account activity fees, special service fees, other brokerage or custody fees, mutual fund or annuity internal expenses (detained information on internal expenses is found in each mutual fund or annuity prospectus), 12b-1 fees (a marketing or distribution fee on a mutual fund), or loads (sales charges) on funds not purchased by us. We will not purchase mutual funds with front-end or rear-end load on your behalf without your prior permission. Please see "Item 12: Brokerage Practices" for more detail.

The Joseph Group's Chief Compliance Officer, B. Scott Mizer remains available to address any questions that a client or prospective client may have regarding material contained in this document, any corresponding perceived conflict of interest or any other matter. He may be reached at the phone number and/or address on the cover page of this document.

Item 6: Performance-Based Fees

We do not charge Performance-Based Fees.

Item 7: Types of Clients

Our clients typically include individuals, families, businesses (including retirement plans), trusts, and charities. We request minimum assets of \$500,000 from new clients, however, we may waive that minimum at our discretion. We at our sole discretion, may charge a lesser investment advisory fee, waive its asset minimum and/or charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

The process starts with helping you identify your purpose, which leads to establishing goals and objectives. Once your goals and objectives are determined, each goal and objective is then matched with one of our investment strategies. We have determined clients typically have at least one of four primary goals for their money:

- 1) To protect principal and maintain liquidity
- 2) To sustain a lifestyle over an extended period of time by keeping pace with inflation with a focus on current income and modest growth of capital
- 3) To outpace inflation and grow assets toward a long-term goal with a focus on total return
- 4) To aspire to a higher level of wealth with a focus on growth of capital

We have established four core asset allocation investment strategies and one individual stock strategy which align with the above goals. Those strategies are:

- 1) **The Conservation Strategy** - the objective of the Conservation Strategy is to preserve principal value. It is appropriate for liquidity and longer term savings (one year or more). It can also be used as a portfolio that supports regular withdrawals. It invests primarily in short-term bonds and money markets. The portfolio seeks to maintain an average maturity of 18 months or less, consistent with a short-term, capital preservation focus. The annual volatility target will be between 0% and 3%. This means that two thirds of the time the return is intended to be within plus or minus 0% to 3% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.
- 2) **The Provision Strategy** - the objective of the Provision Strategy is to sustain wealth by focusing on current income and low principal volatility. It is appropriate for savings and investment goals with time frames greater than 5 years that require current income and low volatility such as providing for cash flow needs in retirement. It invests in high quality bonds, high yield bonds, stocks, dynamic strategies (i.e. asset allocation, covered calls), alternative asset classes (i.e. commodities, REITs), and money market funds. The annual volatility target will be between 3% and 8%. This means that two thirds of the time the return is intended to be within plus or minus 3% to 8% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.
- 3) **The Harvest Strategy** – the objective of the Harvest Strategy is risk managed growth through a multi-asset strategy toward a goal. It is appropriate for savings and investment goals with time frames greater than 5 years such as retirement, college savings, or charitable endeavors. It invests in high quality bonds, high yield bonds, stocks, dynamic strategies (i.e. long/short, tactical, market neutral), alternative asset classes (i.e. commodities, REITs), and money market funds. The annual volatility target will be between 8% and 15%. This means that two thirds of the time the return is intended to be within plus or minus 8% to 15% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.
- 4) **A. The Abundance Strategy** – the objective of the Abundance Strategy is to be an aggressive, concentrated portfolio that seeks to outperform major market averages. It is appropriate for investors who are comfortable with a non-diversified, opportunistic investment strategy that seeks high returns with a high degree of risk. Compared to our other core portfolios, this portfolio is expected to have higher turnover, position concentration, and volatility. The

annual volatility target will be between 15% and 24%. This means that two thirds of the time the return is intended to be within plus or minus 15% to 24% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.

B. "Home Grown" Stock Portfolio - For those clients who indicate that they would like a portfolio comprised of individual securities, and are willing to be more aggressive with a portion of their investment assets, we shall make available our "Home Grown" Stock Portfolio. The objective of the "Home Grown" Stock Portfolio is to be an aggressive, concentrated portfolio of individual stocks which seeks to outperform the S&P 500. It is appropriate for investors who are comfortable with a non-diversified, opportunistic investment strategy that seeks high returns with a high degree of risk. Compared to our other core portfolios, this portfolio seeks to add value through individual stock selection rather than asset allocation across mutual funds. The portfolio is generally concentrated across 20 to 30 individual U.S. stocks and/or closed-end funds with sector exposures within +/-8% of those of the S&P 500. The stocks in the portfolio are generally large cap on average, but individual holdings can be of any market capitalization. In addition, 30% to 70% of the holdings are generally expected to consist of companies based in the state of Ohio. There is no guarantee the strategy's objective can be met.

We also designed 3 investment strategies for smaller accounts (generally \$20,000 or less to invest):

The Provision Seed Strategy – the Provision Seed Strategy is designed for small accounts (generally < \$20,000) and has an objective identical to that of Provision – sustain wealth by focusing on current income and low principal volatility. The strategy uses fewer mutual funds (typically 5 - 9 funds) which can be obtained with a low (or no) minimum investment while striving to attain similar risk & return characteristics to the Provision Strategy. Like Provision, the annual volatility target will be between 3% and 8%. This means that two thirds of the time, the return is intended to be within plus or minus 3% to 8% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.

The Harvest Seed Strategy – the Harvest Seed Strategy is designed for small accounts (generally < \$20,000) and has an objective identical to that of Harvest – risk managed growth through a multi-asset strategy toward a goal. The strategy uses fewer mutual funds (typically 5 - 9 funds) which can be obtained with a low (or no) minimum investment while striving to attain similar risk & return characteristics the Harvest Strategy. Like Harvest, the annual volatility target will be between 8% and 15%. This means that two thirds of the time, the return is intended to be within plus or minus 8% to 15% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.

The Abundance Seed Strategy – the Abundance Seed Strategy is designed for small accounts (generally < \$20,000) and has an objective identical to that of Harvest – an aggressive, concentrated portfolio that seeks to outperform major market averages. The strategy uses fewer mutual funds (typically 5 - 9 funds) which can be obtained with a low (or no) minimum investment while striving to attain similar risk & return characteristics to the Abundance Strategy. Like Abundance, the annual volatility target will be between 15% and 24%. This means that two thirds of the time, the return is intended to be within plus or minus 15% to 24% of the average return of the portfolio. There is no guarantee the strategies objective or annual volatility target will be met.

Our advisers assess your goals and assist you in determining how to allocate assets in the above strategies consistent with those goals. Investing in any of our strategies involves risk of loss that you should be prepared to bear.

We have an Investment Team which meets weekly to review information received from research partners, analyze portfolios, and develop our Market Health Analysis. The Market Health Analysis is comprised of three key components: Economic Outlook, Valuation, and Technicals. These factors help drive our decision making as it relates to portfolio strategy.

Once we have determined the big picture portfolio strategy, for our asset allocation strategies, we divide the global financial markets into five broad categories which each have a different primary risk driver:

- *High quality bonds* include investment grade (BBB or better) rated bonds issued by sovereigns or corporations. The primary risk driver for high quality bonds is interest rate risk as bond prices tend to fall as interest rates rise (and vice-versa).
- *Credit securities* include bonds issued by less credit-worthy corporate entities or securities with a subordinated claim on the assets of the firm (i.e., junior bonds, preferred stocks, convertible bonds). The primary risk driver for the credit portion of the portfolio is credit risk as the prices of these securities will tend to rise as the credit quality of the issuer improves, or fall as the credit quality of the issuer deteriorates.
- *Global Stocks* include equity securities issued by U.S. or foreign companies of all capitalization sizes. The primary risk driver for the stock portion of the portfolio is equity market risk, or beta as a diversified stock portfolio will tend to move up or down in the same general direction of the stock market.
- *Real assets* include physical assets such as gold, real estate, or commodities as well as infrastructure. These assets are recognized to have alternative market risk, or alternative beta, where asset prices move up or down in a way that may not exactly correlate with movements of the stock market. Real assets are often considered desirable during periods of high inflation and may be a tool to protect against inflation risk.
- *Dynamic Allocation* assets include funds that may use traditional asset classes (i.e., stocks and bonds) in different ways such as short-selling or tactical trading. Strategies in the Dynamic Allocation category may include, but are not limited to long/short, market neutral, tactical trading or global macro. Because these funds are strategy dependent, the primary risk driver is manager risk as the risk of the funds depends on the decisions of the individual manager.

It is expected, but not assured, that each of these five broad categories will have less than perfect correlation. In other words, returns between the five broad categories will differ and asset prices between the categories will go up or down at different times. The assumed lack of correlation is based on actual historical 3, 5, and 10 year correlations between the asset categories. These assumed correlations are used as inputs to determine diversification benefits and the computation of each Strategy's volatility target.

Additional Strategies – From time to time we may agree to manage retirement or other accounts on a platform that offers a restricted menu of funds or additional operational challenges. These strategies will be customized for each client on a case by case basis although the framework above will be considered.

Portfolio Activity: We have a fiduciary duty to provide services consistent with your best interest. As part of our investment advisory services, we review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance,

fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when we determine that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions we make will be profitable or equal any specific performance level(s).

Item 9: Disciplinary Information

Neither we nor any management person has any material legal or disciplinary events to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither we nor any management person has any material other financial industry activities or affiliations to report.

One of our owners currently serves on the Board of Directors of two of our investment management clients. He recuses himself during any discussions of the retention or future investment contracts with The Joseph Group or during voting regarding these matters.

Two of our Client Advisers have insurance licenses through the State of Ohio. They do not actively participate in the insurance business, but may occasionally help friends or family secure insurance.

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

We are committed to conducting business with integrity in an ethical manner and in compliance with all applicable laws. The principles of honesty, integrity, and professionalism are critical to the success and reputation of our firm. Accordingly, we have adopted and implemented policies and procedures as well as a code of ethics to prevent violations of federal securities laws and to prevent harm to our clients and others. A copy of our Compliance Policies and Code of Ethics is available upon request.

Items specifically addressed in that document include: annual review and training in compliance matters, maintenance of records, ethical responsibilities and considerations, new client procedures, privacy policy, portfolio management processes and trading practices, accuracy of disclosures/advertising, client assets and fees, record keeping and document retention, proxy voting, complaints and business continuation plan.

Most of our owners and many Team Members invest personally in the same strategies recommended to you. We view this positively, as it means we believe in the investment strategies we recommend to you. However, depending upon the type of security being purchased, there are potential *conflicts* inherent in this type of activity.

We primarily invest in open-end mutual funds and money market funds. The prices of these funds are not negotiated and are determined at the end of each trading day. As such, these funds are considered not reportable as it relates to personal trading. However, in our "Home Grown" Stock portfolio we purchase stocks and we may from time to time purchase Exchange Traded Funds (ETF) in any of our strategies. Stocks and ETFs are sold intraday at negotiated prices and thus are considered reportable securities.

Therefore, it is possible for there to be a *conflict of interest* as it relates to the use of Stocks or ETFs in our strategies.

To identify any potential *conflicts*, our owners and Team Members are required to complete a Personal Securities Transactions and Holdings Report each calendar quarter. This report discloses any reportable securities transactions made during the quarter and is reviewed by the Chief Compliance Officer. The Chief Compliance Officer's report is reviewed by another member of the Compliance or another officer. In addition, most trades in any owner and Team Member accounts are made at the same time as client trades through a trading procedure called block trading. Having all trades made with block trading means all purchases and sales receive the same negotiated price.

The Joseph Group's Chief Compliance Officer, B. Scott Mizer remains available to address any questions that a client or prospective client may have regarding material contained in this document, any corresponding perceived conflict of interest or any other matter. He may be reached at the phone number and/or address on the cover page of this document.

Item 12: Brokerage Practices

We generally recommend that our clients arrange for their assets to be held at Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC. Although it is our recommendation that clients establish accounts at Schwab, it is the client's decision to custody assets at Schwab by entering into an account agreement directly with them. Schwab, as the custodian, will hold your assets in a brokerage account and buy and sell securities as we instruct them. We do not open the account for you, although we may assist you in doing so. We believe that Schwab offers exceptional service, execution capabilities and reasonable fees. Other factors for this recommendation include, Schwab's financial strength, the company's reputation, breadth of available investment products, research provided and our historical relationship with Schwab. We are independently owned and operated and are not affiliated with Schwab or any other custodian/broker-dealer.

Although individual security and ETF transaction fees paid by our clients comply with our duty to obtain best execution, a client might pay a fee that is higher than another broker dealer might charge for the same transaction when we determine, in good faith, that the transaction fee is reasonable in relation to the value of the overall brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker/dealer services, including the value of research, execution capability, transaction costs and responsiveness. It is therefore possible that we may not necessarily obtain the lowest possible fees for transactions. Brokerage commissions, transaction fees or any other fees charged by the designated custodian/broker-dealer are exclusive of and besides our investment management fee.

Our best execution responsibility is qualified if securities purchased for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Thus, you may obtain many of the funds that may we utilize independent of engaging us as an investment adviser. However, if a prospective client determines to do so, he/she will not receive our initial and ongoing investment advisory services... In addition to our investment advisory fee, and transaction and/or custodial fees (described in Item 5: Fees and Compensation), clients will also

incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Services and Additional Benefits

Schwab provides us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. Custodians (such as 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 generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million in assets at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees. The following is a more detailed description of these custodians' support services:

- **Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some which you might not otherwise have access or that would require a significantly higher minimum initial investment by you.
- **Services that may not directly benefit you.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the custodians' own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts. In addition to investment research, Schwab also make available software and other technology that:
 - Provide access to client account data (such as duplicate trade confirmations and account statements)
 - Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
 - Provide pricing and other market data
 - Facilitate payment of our fees from our clients' accounts
 - Assist with back-office functions, recordkeeping, and client reporting

We may also receive research and the payment of travel expenses associated with due diligence conferences from the mutual fund companies we recommend to clients. This is a potential *conflict* of interest.

- **Services That Generally Benefit Only Us.** Schwab may also offer other services intended to help us manage and further develop our business enterprise. These services include:
 - Educational conferences and events
 - Consulting on technology, compliance, legal, and business needs
 - Publications and conferences on practice management and business succession
 - Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our Team Members.

We use all of the services provided to us described in the preceding three sections.

Trade Aggregation

The majority of our transactions are mutual fund trades, so trade aggregation does not typically apply to your account. However, we trade individual stocks in our “Home Grown” Stock Portfolio and we may utilize Exchange Traded Funds in your account(s). In these instances, it is our practice to “block trade” the orders together for multiple client accounts so each client receives the average price of the executed trade when possible. This assures you are treated equally with other clients impacted by the trade.

Item 13: Review of Accounts

Investment decisions are approved by our Investment Committee, which meets bi-weekly. A decision to make an adjustment in the holdings of an investment strategy typically results in a block trade in all accounts assigned to that investment strategy. If an exception occurs during the block trade (e.g. not enough cash to purchase the amount we want to purchase, a short-term redemption fee on a sale, etc.) any account with an exception is reviewed individually in order to make the change desired. In addition, individual positions are reviewed frequently on a macro level relative to their respective target percentages, and if an exception occurs the individual account is reviewed. These reviews and block trades are performed by our Investment Team. Finally, accounts are reviewed with clients in their meetings with one of our Client Advisers. Additionally, it remains your responsibility to promptly notify us if there is ever any change in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

In addition, to the regular reports you receive from the custodian, we provide you with a Portfolio Holdings Report and a Portfolio Performance Review each quarter. We are also available to review these reports with you during in person meetings. You should carefully review the custodian’s statements and compare them to the reports we provide.

Item 14: Client Referrals and Other Compensation

As indicated at Item 12 above, we can receive from Schwab without cost (and/or at a discount), support services and/or products. Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as result of this arrangement. There is no corresponding commitment made by us to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. We do not receive compensation from non-clients for providing investment advice or other advisory services to you and we do not compensate any third parties for client referrals.

Item 15: Custody

We have the ability to deduct our advisory fee from the client’s custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. To the extent that we provide clients with periodic account statements or reports, you are urged to compare any statement or report provided by us with the account statements received from the account custodian.

The account custodian does not verify the accuracy of our advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from us to transfer their funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

The Joseph Group's Chief Compliance Officer, B. Scott Mizer remains available to address any questions that a client or prospective client may have regarding material contained in this document, any corresponding perceived conflict of interest or any other matter. He may be reached at the phone number and/or address on the cover page of this document.

Item 16: Investment Discretion

We accept discretionary authority to manage securities on your behalf. At the time of engagement of our services, you signed (or will sign) a New Account Application (containing a limited power of attorney) or a Limited Power of Attorney Form authorizing us to make trades in your account and disburse funds to you or for your direct benefit (e.g. an account with the same registration). You may put reasonable limitations on the types of securities that we buy and sell in your accounts.

Item 17: Voting Client Securities

We don't exercise voting authority over your securities under any circumstances. Your account will be set up so that you will receive any proxy materials.

Item 18: Financial Information

There are no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to you.

Item 19: Retirement Investors and ERISA Matters

If you are:

- A participant or beneficiary of a retirement plan subject to Title I ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, (such as a 401(k) Plan, Profit Sharing Plan...) with the authority to direct the investment of assets in your Plan account or take a distribution;
- The beneficial owner of an IRA acting on behalf of the IRA; or,
- A retail Fiduciary with respect to a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code,

Then, we represent that The Joseph Group and its investment adviser representatives are fiduciaries under ERISA with respect to any investment recommendations we make regarding a Plan or participant or beneficiary account.

Retirement Rollovers-*Potential for Conflict of Interest*: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- Leave the money in the former employer's plan, if permitted
- Roll over the assets to the new employer's plan, if one is available and rollovers are permitted,
- Roll over to an Individual Retirement Account ("IRA"), or
- Cash out the account value (which could, depending upon the client's age and circumstances, may result in adverse tax consequences).

If we recommend that a you roll over your retirement plan assets into an account to be managed by us, such a recommendation creates a *conflict of interest* if we will earn new (or increase its current) compensation as a result of the rollover. When acting in such capacity, we serve as a fiduciary under the Employee Retirement Income Security Act (ERISA). *You are under no obligation to rollover retirement plan assets to an account managed by us.*

The Joseph Group's Chief Compliance Officer, B. Scott Mizer remains available to address any questions that a client or prospective client may have regarding material contained in this document, any corresponding perceived conflict of interest or any other matter. He may be reached at the phone number and/or address on the cover page of this document.