

# Greenleaf Advisors LLC

## Wrap Fee Program Brochure

*This brochure provides information about the qualifications and business practices of Greenleaf Advisors LLC. If you have any questions about the contents of this brochure, please contact us at 732-530-8129 or by email at: [info@cafarogreenleaf.com](mailto:info@cafarogreenleaf.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Greenleaf Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Greenleaf Advisors LLC's CRD number is: 170757*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment on March 21, 2019 of Greenleaf Advisors LLC. Material changes relate to Greenleaf Advisors LLC's policies, practices or conflicts of interests.

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## **Item 4: Services Fees and Compensation**

Greenleaf Advisors LLC (hereinafter "GAL") offers the following services to advisory clients:

### **A. Description of Services**

GAL participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows GAL to manage client accounts for a single fee that includes portfolio management services and custodial costs.

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
All assets	Up to 1.00%

These wrap fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of GAL's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

GAL uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Because fees are charged in arrears, no refund policy is necessary.

### ***Selection of Other Advisers Fees***

GAL may direct clients to third-party investment advisers. GAL will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between GAL and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected. GAL does not have any relationships in place at this time.

### **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

### **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees; such as annual IRA fees to the custodian, termination fees if the account is moved to another broker, or third party adviser fees.

### **D. Compensation of Client Participation**

Neither GAL, nor any representatives of GAL receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, GAL may have a financial incentive to recommend the wrap fee program to clients.

## **Item 5: Account Requirements and Types of Clients**

GAL generally provides its wrap fee program services to the following types of clients:

- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities
- ❖ State or Municipal Government Entities
- ❖ Individuals

### ***Minimum Account Size***

There is no account minimum for any of GAL's services.

## **Item 6: Portfolio Manager Selection and Evaluation**

### **A. Selecting/Reviewing Portfolio Managers**

GAL will not select any outside portfolio managers for management of this wrap fee program other than those offered through the manager selection program. Otherwise, GAL will be the sole portfolio manager for this wrap fee program.

#### ***1. Standards Used to Calculate Portfolio Manager Performance***

GAL will use industry standards to calculate portfolio manager performance.

## ***2. Review of Performance Information***

GAL reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly by GAL.

### **B. Related Persons**

No related persons will participate in the manager selection program described in this brochure. As such, there are no conflicts of interest with related persons and GAL will not select any related persons as portfolio managers for this wrap fee program.

### **C. Advisory Business**

GAL offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above.

#### ***Portfolio Management Services***

GAL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. GAL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

GAL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. GAL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

GAL seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of GAL's economic, investment or other financial interests. To meet its fiduciary obligations, GAL attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, GAL's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is GAL's policy to allocate investment opportunities and

transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Selection of Other Advisers***

GAL may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, GAL will always ensure those other advisers are properly licensed or registered as an investment adviser. GAL conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. GAL then makes investments with a third-party investment adviser by referring the client to the third-party adviser. GAL will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

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

GAL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### ***Services Limited to Specific Types of Investments***

GAL generally limits its investment advice to fixed income securities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, futures, commodities and non-U.S. securities, although GAL primarily recommends U.S. equities to a majority of its clients. GAL may use other securities as well to help diversify a portfolio when applicable.

### ***Client Tailored Services and Client Imposed Restrictions***

GAL will tailor a program for each individual client. We will consider the investments preferences of our clients while developing an appropriate portfolio in regards to their age, income and goals. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by GAL on behalf of the client. GAL may use "model portfolios" together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent GAL from properly servicing the client account, or if the restrictions would require GAL to deviate from its standard suite of services, GAL reserves the right to end the relationship.



### ***Wrap Fee Programs***

GAL sponsors and participates in a wrap fee program, which is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. GAL does manage the investments in the wrap fee program. GAL does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to GAL as a management fee.

### ***Amounts Under Management***

GAL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$156,398,876.00	\$4,611,093,840.00	12/31/2019

### ***Methods of Analysis and Investment Strategies***

GAL's methods of analysis include charting analysis, fundamental analysis, technical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. GAL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

## ***Investment Strategies***

GAL uses long term trading. Subadvisers may engage in other strategies, including short term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## ***Material Risks Involved***

### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected

return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although GAL will seek to select only money managers who will invest clients' assets with the highest level of integrity, GAL's selection process cannot ensure that money managers will perform as desired and GAL will have no control over the day-to-day operations of any of its selected money managers. GAL would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment “style drift” or even regulator breach or fraud.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security.

In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease,

storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

GAL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

GAL is the portfolio manager for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by GAL. As that information changes and is updated, GAL will have immediate access to that information once collected.

## **Item 8: Client Contact with Portfolio Managers**

GAL places no restrictions on client ability to contact its portfolio managers. GAL's lead advisor, Jamie D. Greenleaf can be contacted during regular business hours and contact information is on the cover page of Jamie D. Greenleaf's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

### ***Self-regulatory Organization (SR) Proceedings***

There are no self-regulatory organization proceedings to report.

### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither GAL nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

Neither GAL nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Jamie D. Greenleaf is a registered representative of American Portfolios and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. GAL always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of GAL in such individual's capacity as a registered representative.

Jamie D. Greenleaf is an investment adviser representative with another investment advisory firm, and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. GAL always acts in the best interest of the client and clients are in no way required to use the services of any representative of GAL in connection with such individual's activities outside of GAL.

Jamie D. Greenleaf acts as a pension consultant and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. GAL always acts in the best interest of the client and clients are in no way required to the services of any representative of GAL in connection with such individual's activities outside of GAL.

Jamie D. Greenleaf and Wayne K. Greenleaf are each 50% owner and managing principal of HSA Gateway LLC. Responsibilities include helping employers and employees change their behavior around retirement programs. 5 hours a month

are spent on this activity during trading hours and no time is spent on this activity outside of trading hours. 10% of yearly compensation is derived from this activity.

Jamie D. Greenleaf and Wayne K. Greenleaf are passive investors with EvoShare, Inc.. EvoShare is a financial platform that enables employees to save for their 401(k) or 403(b) while shopping online and locally at stores, bars, and restaurants. Our service allows employees to spend at their favorite businesses and receive up to 30% cash-back towards their retirement plan through their employer. No time is spent on this activity during or outside of trading hours and they do not receive any compensation.

Wayne K. Greenleaf has the license of a real estate agent and has the ability to offer clients advice or products from those activities but will not. If offered, clients should be aware that these services may involve a conflict of interest. GAL always acts in the best interest of the client and clients are in no way required to accept these services of any kind.

***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

GAL does not utilize nor select other advisors or third-party managers, other than those selected through the manager selection program.

**B. Code of Ethics, Client Referrals and Financial Information**

***Code of Ethics***

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of GAL may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of GAL to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. GAL will always document any transactions that could be

construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

All client portfolio management accounts are reviewed at least quarterly only by Jamie D. Greenleaf with regard to clients' respective investment policies and risk tolerance levels. All accounts at GAL are assigned to this reviewer.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive at least quarterly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. GAL will also provide at least quarterly a separate written statement to the client.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)***

GAL receives a fee split from subadvisers to which it allocates assets but otherwise does not receive any economic benefit, directly or indirectly from any third party for advice rendered to GAL's clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

GAL may enter into written arrangements with third parties to act as solicitors for GAL's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. GAL will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

### ***Balance Sheet***

GAL does not require nor solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.



***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither GAL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

***Bankruptcy Petitions in Previous Ten Years***

GAL has not been the subject of a bankruptcy petition in the last ten years.