



Part 2A of Form ADV  
*The Brochure*

**Updated March 2020**

This brochure provides information about the qualifications and business practices of Daniels + Tansey, LLP (“Daniels + Tansey”). If you have any questions about the contents of this brochure, please contact the Chief Compliance Officer, Jordan Daniels, at 302-594-1070. The information in this brochure has not been approved by the Securities and Exchange Commission (“SEC”) or any state securities authority.

Daniels + Tansey is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Daniels + Tansey is also available on the SEC’s website at [www.sec.gov/investor/brokers.htm](http://www.sec.gov/investor/brokers.htm).

## **ITEM 2 - MATERIAL CHANGES**

On July 28, 2010, the Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC rules.

Pursuant to new SEC rules, we will ensure that you receive this page, which consists of a summary of any material changes to this and subsequent Brochures, or our entire Disclosure Brochure within 120 days of the close of our fiscal year (December 31<sup>st</sup>). Certain disclosures require more frequent disclosure and we may further provide other on-going disclosure information about material changes as necessary.

Cover page – Beginning January 1, 2020, Jordan Daniels replaced Christopher F. Daniels as Chief Compliance Officer.

Item 10 – Other Business – we have amended the disclosure to report that we are no longer affiliated with the sub-advisor we utilize, DT Investment Partners (“DTIP”).

To obtain a copy of our firm’s entire Disclosure Brochure or Supplemental Biographies, Code of Ethics, Business Continuity Plan Disclosure or our Privacy Disclosure, please contact the Chief Compliance Officer at 302-594-1070. You may also contact our firm by post at:

Attn: Chief Compliance Officer  
1013 Centre Road, Suite 220  
Wilmington, DE | 19805

### **ITEM 3 - TABLE OF CONTENTS**

#### **CONTENTS**

<b>ITEM 2 - MATERIAL CHANGES</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS</b>	<b>3</b>
<b>ITEM 4 - ADVISORY BUSINESS</b>	<b>4</b>
<b>ITEM 5 - FEES AND COMPENSATION</b>	<b>7</b>
<b>ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT</b>	<b>11</b>
<b>ITEM 7 - TYPES OF CLIENTS</b>	<b>11</b>
<b>ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</b>	<b>12</b>
<b>ITEM 9 - DISCIPLINARY INFORMATION</b>	<b>14</b>
<b>ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b>	<b>14</b>
<b>ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b>	<b>15</b>
<b>ITEM 12 - BROKERAGE PRACTICES</b>	<b>16</b>
<b>ITEM 13 - REVIEW OF ACCOUNTS</b>	<b>18</b>
<b>ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION</b>	<b>18</b>
<b>ITEM 15 - CUSTODY</b>	<b>19</b>
<b>ITEM 16 - INVESTMENT DISCRETION</b>	<b>19</b>
<b>ITEM 17 - VOTING CLIENT SECURITIES</b>	<b>19</b>
<b>ITEM 18 - FINANCIAL INFORMATION</b>	<b>20</b>

#### **ITEM 4 - ADVISORY BUSINESS**

Daniels + Tansey offers the following services as part of its advisory business:

1. Investment Advisory Services
2. Wealth Management Services
3. Multi Family Office Services
4. Financial Planning and Consulting
5. Matrimonial Financial Planning and Litigation Support

As of December 31, 2019, the firm had discretionary assets under management of \$438,407,616, non-discretionary assets under management of \$9,958,769 and total assets under management of \$448,366,385.

Daniels + Tansey is an investment advisor registered with the Securities and Exchange Commission (SEC). As such, Daniels + Tansey is subject to a fiduciary standard of care. Simply stated, investment recommendations by Daniels + Tansey must be in the best interest of its clients and client's interests always take precedence to those of Daniels + Tansey.

Daniels + Tansey is a limited liability partnership formed under the laws of the State of Delaware. The firm has been registered with the Securities and Exchange Commission as an investment advisor since 2004. The principal owners of the firm are Christopher F. Daniels, DeVon Daniels, Susan Benson and Adele McIntosh. Daniels + Tansey offers advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other organizations on a discretionary and non-discretionary basis.

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

#### **Investment Advisory Services**

Daniels + Tansey believes that asset allocation among various asset classes offers the best opportunity to achieve investment success. Daniels + Tansey frequently employs sub-advisors to provide clients investment options and to manage assets on their behalf. When our firm engages a sub-advisor to manage assets in the client's account, Daniels + Tansey will also provide the client with the sub-advisor's most current ADV Part 2A. Clients should carefully review the sub-advisor's ADV Part 2A disclosures and contact our firm with any questions.

Daniels + Tansey assists clients in developing an appropriate Investment Policy Statement for assets under discretionary authority of the firm. The Policy is based on the client's investment goals, objectives and risk tolerances. The firm provides coordination and administration of appropriate accounts and related asset transfers. The Investment Policy for each client receives customized implementation which includes active tax and cost-efficient portfolio management.

The firm provides continuous monitoring and management of the investment vehicles chosen to implement portfolio strategies. As necessary, client portfolios are rebalanced, or policies and strategies are modified if circumstances or client objectives dictate.

In addition to statements received from qualified custodians, clients receive quarterly detailed written reports from Daniels + Tansey with respect to their investment portfolio. As requested, clients may receive preliminary tax information (e.g. realized and unrealized gains/losses, interest and dividends received) to facilitate tax planning.

Prior to engaging Daniels + Tansey to provide investment advisory services, the client will be required to enter into an Investment Advisory Agreement with Daniels + Tansey setting forth the terms and conditions of the engagement, describing the scope of the services to be provided and the portion of the fee, if any, that is due from the client prior to Daniels + Tansey commencing services.

A client may terminate its investment advisory agreement upon written notice to Daniels + Tansey and is effective upon receipt. Upon termination, fees paid in advance will be prorated and any unearned portion thereof will be returned to the client. The refund will be calculated based on the number of days remaining in the billing period after the date of termination. Fees paid in arrears will be pro-rated and any earned portion thereof will be due to Daniels + Tansey. The fee will be calculated based on the number of days during the billing period that the account was managed before the date of termination.

Advisor will assist clients with appointment of a qualified custodian to hold client funds and securities. Advisor shall hold client funds or securities on an exception basis. If held, Advisor complies with Rule 206 (4)-2 of the Investment Advisers Act by authorizing a surprise annual audit by a qualified public accounting firm.

Advisory recommendations are based on the client's financial situation at the time the services are provided and are based on financial information disclosed by the client to Advisor. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As the client's financial situation, goals, objectives or needs change, the client must notify Daniels + Tansey promptly.

### **Wealth Management Services**

A client may elect to have Daniels + Tansey provide wealth management services in addition to the investment advisory services noted above. Such services may include recommendations for cash flow strategies and implementation of such strategies based upon the client's unique cash flow needs. Further, Daniels + Tansey may provide assistance with establishment, if requested, of other non-discretionary accounts at selected custodians. Daniels + Tansey may also perform an annual review of client's total investment assets including assets not managed by Daniels + Tansey (e.g. deferred compensation arrangements, retirement plans, stock options and direct real estate investments). Advisor may also provide advice regarding recommendations for investment options available in a client's company sponsored retirement plan.

Advisor may provide an insurance needs analysis, as appropriate and requested, for life, disability and long-term care protection; recommendations on types of policies, and appropriate coverage. Advisor may also review and make recommendations regarding client's property and casualty insurance coverage.

Other miscellaneous wealth management services may include review of a client's mortgages, debt financing and loan alternatives. Advisor also provides consultation regarding a client's estate planning issues and/or strategies for philanthropic and multi-generational planning. Daniels + Tansey may also provide consultation with a client's advisors regarding insurance, tax, investment, estate and retirement planning.

### **Multi-Family Office Services**

Daniels + Tansey provides additional family office related services beyond the aforementioned wealth management services for certain clients. Such services may include but are not limited to the following:

*Enhanced Cash Flow Management* – provide cash flow projections, budget analysis and assistance with balancing family checking accounts.

*Integrated Wealth Management* – development of multi-generational wealth transfer strategies to maximize family wealth based on tax minimization. Coordination of executive benefits (deferred compensation, employee stock options, restricted stock and retirement plans) with estate plan and financial plan. Development of business succession and transfer strategies for closely held family businesses.

*Family Advisory Meetings* – coordinate family advisory meetings with family financial advisors. Develop financial education for children. Assist in development of family mission statement and governance. Development of philanthropic strategies based on family mission statement.

*Risk Management* – insurance consultation with advisors, coordination of family financial security and wealth preservation.

*Tax and Accounting* – assist Ann Taylor Tansey & Co., P.A. (“ATT”), a related tax and accounting firm, with tax planning and tax return preparation and also provide financial investment information requested in the event of tax authority audit.

Either party may terminate a wealth management or wealth management and multi-family office agreement at any time by providing written notice to the other party. In the event of any unearned fees, Daniels + Tansey will provide Client with a pro-rata refund promptly.

### **Financial Planning and Consulting**

Daniels + Tansey provides financial planning and consulting to clients to assist with long or short-term objectives as defined by the client. Such services are not on-going in nature generally and are usually completed within six months of the date of the engagement. Some consulting with respect to asset allocation is on-going and the firm receives periodic payments for such advice. Assistance with development of a comprehensive financial plan may include, but is not limited to, advice on the following issues:

- Cash flow management
- Retirement planning
- Risk management
- Estate planning

Further, Daniels + Tansey may provide a review and update of the client's existing financial plan. Consultation or planning services may include any of the following at the specific request of the client:

- Review of the client's overall financial situation and issue of a written report of recommendations
- Review of estate planning issues
- Preparation of a review of retirement planning issues
- Review of educational funding issues
- Preparation of a written asset allocation report and associated recommendations
- Preparation of a portfolio analysis report and associated recommendations
- Client-initiated hourly consultation services on myriad issues raised by the client, on an as needed basis
- Review of cash flow issues
- Review of investment risk analysis
- General tax issues and projections
- Review of fringe benefit considerations
- Business related issues to include multi-generational family planning
- Other miscellaneous services based on unique client needs

### **Matrimonial Financial Planning and Litigation Support Services**

Daniels + Tansey provides matrimonial financial planning and litigation support services. The services we provide may include the following:

*Financial Education* – assist in the development of the marital estate and financial implications of division of the marital estate. The education process provides an in-depth analysis of the family's assets and liabilities as well as tax implications attendant to the division of the marital estate.

*Financial Settlement Projections* – assist clients in the review of various options and financial implications of settlement alternatives.

*Standard of Living During the Marriage* – assist clients in determining support and maintenance requirements through income and expense analysis.

*Post-Financial Settlement Planning* – assist in the development of an integrated wealth management plan.

*Remarriage Planning* – assist the client in understanding the financial considerations of a re-marriage including the benefits of a prenuptial agreement and a plan for sharing income and expenses.

### **ITEM 5 - FEES AND COMPENSATION**

Daniels + Tansey's fees are dependent upon the client's choice of the aforementioned services available in its advisory business.

**Investment Advisory Services Fees** – listed below is the standard fee schedule based on assets under management:

Equity and Balanced Accounts

First	\$2,000,000	1.25%
Next	\$3,000,000	.75%
Next	\$5,000,000	.60%
Next	\$10,000,000	.30%
	\$20,000,000 +	Negotiated

Fixed Income Only

First	\$2,000,000	.50%
Next	\$3,000,000	.35%
Next	\$5,000,000	.25%
Next	\$10,000,000	.20%
	\$20,000,000 +	Negotiated

Enhanced Cash Management

First	\$2,000,000	.35%
Next	\$3,000,000	.25%
Next	\$5,000,000	.20%
Next	\$10,000,000	.15%
	\$20,000,000 +	Negotiated

The fees charged are calculated as described above and are not charged on the basis of a share of capital gains upon, or capital appreciation of the funds, or any portion of the funds of an advisory Client (15U.S.C. 80b-5(a)(1)).

Daniels + Tansey typically charges fees based on a “tiered” schedule as indicated above. As such, the effective rate is blended based on assets within each tier (e.g. a \$3,000,000 balanced portfolio would be charged 1.25% on the first \$2,000,000 and .75% on the next \$1,000,000).

As a general matter, fees are charged on a pro-rata basis quarterly in advance or in arrears, as mutually agreed upon with the client and based on the closing market value of the account, including cash and cash equivalents, on the last day of the calendar quarter. Advisor generally receives client permission to have fees deducted automatically from the qualified custodian account. Clients will be provided with a quarterly statement reflecting the deduction of the advisory fee.

While it is the general policy of Daniels + Tansey to charge fees to its clients in accordance with the fee schedules noted above, the fees are subject to negotiation and may vary from these schedules to reflect circumstances that may apply to a specific client account. For example, fees may differ from those stated herein because of long-standing relationships, anticipated client additions to assets under management, employee-related accounts, changing market conditions or for other reasons.



In the event the client provides notice of termination to the Advisor, the Advisor will prorate fees earned through the termination date and promptly refund any unearned fees to the client.

### **Use of Sub-advisors**

As previously disclosed in Item 4, Advisory Business, Daniels + Tansey utilizes the services of sub-advisors. When employing the services of a sub-advisor for a client's account, the sub-advisory fee is charged directly to Daniels + Tansey and not the client. The client does not pay additional fees for the use of sub-advisors.

### **Election of Asset-Based Fees ("ABF")**

TD Ameritrade Institutional Services offers clients the option of paying its custodial fees either on a "per transaction" basis or on an asset-based program. Generally, clients who choose ABF custodial services will have a more actively traded account. Consult with your investment advisor professional to understand which program is best for your portfolio.

Clients choosing an ABF program will be required to sign a separate agreement with TD Ameritrade Institutional Services confirming such election. Fees are charged based on the amount of assets in the client's account to which such asset-based pricing applies (the "Eligible Assets"). The Eligible Assets include all assets in the client's account except for assets held in money market funds, non-transaction-fee mutual funds and commission-free exchange traded funds. The ABF does not cover every fee and expense associated with your account. Please refer to the above-mentioned TD Ameritrade Institutional Services agreement for more information regarding these additional fees.

### **Wealth Management Services Fee**

Daniels + Tansey charges clients a minimum annual Wealth Management Services Fee of \$2,000, billed quarterly. The first payment is due upon execution of the Agreement. Quarterly billing will commence beginning with the next calendar quarter. Fees will be charged in advance and are typically automatically deducted from the custodian account. In such case, clients will receive a quarterly statement reflecting a deduction of the advisory fee.

### **Multi-Family Office Services Fee**

Daniels + Tansey charges clients a minimum annual Multi-Family Office Services Fee of \$25,000, billed quarterly. Such fees may greatly exceed the minimum based upon the level of services elected by the client. The first payment is due upon execution of the Agreement. Quarterly billing will commence beginning with the next calendar quarter. Fees are typically automatically deducted from the client's account with the qualified custodian. In such case, clients will be provided with a quarterly statement reflecting a deduction of the advisory fee.

## **Financial Planning and Consulting Fee**

Financial planning and consulting services are billed on an hourly basis at rates ranging from \$75 to \$400. In addition to fees for services, out-of-pocket expenses relating to the consulting arrangement are also billed to the client. These include travel time and reasonable mileage reimbursement, photocopying fees, report binding, long distance telephone charges, etc. The services of the firm may be provided on a retainer basis in which case a fee is due at the onset of this engagement. Should fees exceed the retainer, excess fees will be billed at the end of each month during the course of the engagement. Fees are due upon presentation of statements and a 1.50% monthly interest charge (18% annualized) will be assessed on balances outstanding beyond 30 days. Further, the Advisor's hourly billing rates are reviewed annually and may increase each year on January 1<sup>st</sup>. The client will be notified of any such change in advance. The Advisor's maximum hourly fee is currently \$400. Hourly fees may be modified based upon the scope and/or complexity of services, individual circumstances, number of staff utilized or other variables, at the discretion of the Advisor. The client will be notified of any such change in advance.

The Advisor's fee is exclusive of, and in addition to, brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. The Advisor does not receive any portion of these commissions, fees and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

The client may terminate the agreement at any time by providing written notice to Daniels + Tansey. If the client terminates the agreement within five (5) business days of the date of the agreement, the client is entitled to a full refund of advisory fees paid. Thereafter, the client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Any unearned fees will receive a pro-rata refund to the client.

## **Matrimonial Financial Planning and Litigation Support Services Fee**

Matrimonial financial planning and litigation support services are billed on an hourly basis at rates ranging from \$75 to \$400. Litigation services (pre-trial conferences, depositions and expert testimony) are billed at \$400 per hour. In addition to fees for services, out-of-pocket expenses relating to the consulting engagement are also billed to the client. These include travel time and reasonable mileage reimbursement, photocopying fees, report binding, long distance telephone charges, etc. The services of the firm may be provided on a retainer basis in which case a fee is due at the onset of this engagement. Should fees exceed the retainer, excess fees will be billed at the end of each month during the course of the engagement. Fees are due upon presentation of statements and a 1.50% monthly interest charge (18% annualized) will be assessed on balances outstanding beyond 30 days. Further, the Advisor's hourly billing rates are reviewed annually and may increase each year on January 1<sup>st</sup>. The client will be notified of any such change in advance. The Advisor's maximum hourly fee is currently \$400. Hourly fees may be modified based upon the scope and/or complexity of services, individual circumstances, number of staff utilized or other variables, at the discretion of the Advisor.

The Advisor's fee is exclusive of, and in addition to, brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. The Advisor does not receive any portion of these commissions, fees and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

Either party may terminate the agreement at any time by providing written notice to the other party within five (5) days of signing the Advisor's matrimonial financial planning agreement. The client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the client. Refunds for unearned fees will be given on a pro-rata basis.

### **Additional Information Concerning Fees**

Advice offered by Advisor may involve investments in stocks, bonds, Exchange Traded Funds (ETFs), Master Limited Partnerships ("MLPs"), hedge funds and mutual funds. Clients are hereby advised that all fees paid to Advisor for investment advisory services are separate and distinct from the fees and expenses charged by ETF's, hedge funds and mutual funds (described in each fund prospectus) to their shareholders. These fees will include, but are not limited to, a management fee, upfront sales charges and other fund expenses. Further, there will be transactional charges involved with purchasing or selling of securities or asset-based custodial fees, depending on the client's election. Client will incur and Advisor does not share in any portion of the additional brokerage fees/transaction charges or custody fees imposed by the custodian holding the client funds or securities.

A client could invest in a mutual fund or ETF directly without the services of the Advisor. In that case, the client would not receive the services provided by Advisor which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to the client's financial condition, goals and objectives. Accordingly, the clients should review both the fees charged by mutual funds or ETFs and the fees charged by Advisor to fully understand the total amount of fees to be paid by the clients and to thereby evaluate the advisory services that are provided. Further information regarding brokerage can be found in Item 12.

Associated persons of Daniels + Tansey are also licensed to sell insurance and will be entitled to receive commissions, bonuses and sales incentives based on the sale of insurance products. The firm mitigates conflicts of interest with the sale of insurance products by not offering investment management services for these specific products.

### **ITEM 6 - PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Advisor does not presently charge performance-based fees for investment management.

### **ITEM 7 - TYPES OF CLIENTS**

Daniels + Tansey provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and business entities.

The firm has established minimum investment size of \$500,000 for new accounts but may waive this minimum based on other considerations such as family relationships or prospective additions.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Daniels + Tansey employs an active management style that seeks to provide clients with attractive risk-adjusted returns while balancing principal growth with income requirements in various market environments. The firm strives for low volatility and consistent returns by stressing diversification and finding the optimal mix of asset classes for a client's risk profile and return objectives. The firm recognizes the balance between income and growth is different for every client. Accordingly, the firm offers a number of different investment strategies to correlate with an investor's tolerance for risk and investment objectives.

The firm may employ sub-advisors to help clients obtain asset class diversification and to meet investment objectives. Currently, DTIP, is the primary sub-advisor employed for this purpose via a sub-advisory agreement between both parties. Daniels + Tansey reserves the right to employ additional sub-advisors as needed.

Daniels + Tansey's primary subadvisor, DTIP, utilizes fundamental and technical analysis to tactically shift between asset classes to capture the benefits from both fundamental valuation changes and price momentum. The main sources of information used by the Advisor are financial magazines and newspapers, internet articles and news reports, research material prepared by others, corporate rating services, annual reports and filings with the Securities and Exchange Commission, as well as timing services and company press releases. Daniels + Tansey may employ consultants to assist its evaluation of investment management firms.

The company may invest in equities (foreign and domestic, exchange listed or over-the-counter), warrants, commercial paper, certificates of deposit, exchange traded funds ("ETFs"), real estate investment trusts ("REITs"), Master Limited Partnerships ("MLPs"), mutual fund shares, listed equity and index options and a variety of fixed income securities including US Treasuries, agencies, mortgage backed securities, corporate debt and municipal debt.

Implementation of investment strategies may include long term purchases, short term (less than a year) purchases and trading securities (sold within 30 days). Trading activity is driven by regular review of proprietary asset allocation models and "buy/sell" signals associated with performance of various asset classes as a result of fundamental and technical analysis. More frequent trading could result in a client incurring additional brokerage commissions or fees that may reduce net investment performance.

After reviewing a client's investment objectives and tolerance for risk, clients execute an Investment Policy Statement that selects one of the following investment strategies:

1. *Ultra Conservative Growth and Income*: seeks high current income with very modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation, as measured by the Core Consumer Price Index – "CPI". This portfolio will generally have a high weighting to cash and traditional fixed income and a low weighting to equity related strategies. Equity investments will not exceed 30% of the portfolio. The Ultra Conservative investment objective is equivalent to a very low risk profile.
2. *Ultra Conservative Plus Growth and Income*: seeks high current income with only modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation (core CPI). This portfolio will generally have more fixed income and cash than risk-based assets. Risk based assets will not exceed 50% of the

portfolio. Ultra Conservative Plus Investment objective is designed for an investor with a low risk profile with a limited need for growth.

3. Conservative Growth and Income: seeks high current income with modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation ("CPI"). This portfolio will generally have an equal weighting of cash and traditional fixed income to equity and alternative related strategies. Equity and alternative investments however will not exceed 70% of the portfolio. The Conservative investment objective is equivalent to a low risk profile.
4. Moderate Growth and Income: seeks growth of capital as well as current income. The portfolio will invest across diversified strategies specializing in fixed income, equity, real assets, and private investments with modest overweight of equity and alternative investments to fixed income related strategies. Equities and alternative investments however will not exceed 80% of the portfolio. The Moderate investment objective is equivalent to a balanced, medium risk profile.
5. Aggressive Growth: seeks maximum growth of capital. This portfolio will generally utilize a high weighting to equity and alternative related strategies and a low weighting to fixed income related strategies. The Aggressive investment objective is equivalent to a high-risk profile.
6. Dividend Focus: seeks to provide stable consistent and relatively higher current income. The Portfolio is built around a long-term strategic, U.S. Large Cap stock sector allocation that typically includes investments in select sectors of the S&P 500. The Portfolio is mainly invested in common stock, preferred stocks, master limited partnerships and bonds that are appropriate proxies for the above-mentioned sectors. The Dividend Focus Investment objective is designed for an investor with a desire for income and a higher tolerance for risk.
7. Fixed Income Only: seeks to preserve principal value, maintain adequate liquidity to meet client demands, and generate current income. This portfolio will generally utilize investment grade cash and fixed income securities such as US Treasuries, agencies, municipal bonds, agency mortgage-backed securities and corporate debt. The Fixed Income Only investment objective is equivalent to an ultra-low risk profile.

There are a number of risks associated with the various strategies offered by the Advisor. Generally, clients are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and falling prices. Such risk may vary based on the percentage of stocks owned in a given strategy.

Options used as part of overlay strategies have several unique risks and are not suitable for all investors. Options should not be traded without the full knowledge of all the factors affecting their value. There can be no assurance that an investment strategy will produce an intended result. The primary risks involved with trading options include, but are not limited to, assignment risk, loss of premium, limited gains and lack of liquidity.

There are risks involved with investing in ETFs, including possible loss of money. Index-based ETFs are not actively managed. Actively managed ETFs do not necessarily seek to replicate the performance of a specific index. Both index-based and actively managed ETFs are subject to risks similar to stocks including those related to short selling and margin maintenance.

Bonds are subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary based on the percentage of bonds owned in a given strategy. In addition, long-term bonds have a higher interest rate risk and are much more sensitive to interest rate changes

than are the prices of short-term bonds. Bonds are also subject to credit risk, the chance that a bond issuer will fail to pay interest and principal in a timely manner or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Finally, some bonds may be subject to call risk. This is the chance that in a declining interest rate environment the issuer of a bond will repay or call securities with higher coupons before their maturity dates.

In addition, investments in specific asset classes entail different investment risks. For example, small cap stocks tend to be more volatile than large or mid-cap stocks. International stocks and emerging markets include risks due to currency fluctuations, foreign taxes, political instability and possibility of illiquid markets. Real estate investing includes risks such as declines in the value of real estate, changing economic conditions, tax laws or property taxes. Commodities investing is also highly volatile and subject to changing economic conditions and the vagaries of speculators among other risks. Market Neutral and Long/Short strategies entail potential liquidity risks and frequently higher fees.

**Finally, the strategic or tactical asset allocations employed by the Advisor do not assure profit or protect against loss in declining markets.**

#### **ITEM 9 - DISCIPLINARY INFORMATION**

Daniels + Tansey nor any of its partners, officers or employees has been involved in any legal or disciplinary action with any federal or state statutory or regulatory agency. Likewise, neither the firm nor its partners, officer or employees have ever been subject to disciplinary action by self-regulatory organizations.

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Daniels + Tansey has an executed management agreement with the public accounting firm of Ann Taylor Tansey & Co., P.A. ("ATT"). The terms of the agreement result in Daniels + Tansey receiving substantially all of the revenues of ATT.

Susan P. Benson and Adele P. McIntosh, partners of Daniels + Tansey, are certified public accountants and actively engage in the business of accounting services which they provide to clients. As a result of this CPA practice, Ms. Benson and Ms. McIntosh may sell products or services which are non-investment advice/services to clients and for which they will receive customary fees, separate from advisory fees.

Daniels + Tansey has an executed management agreement with Daniels & Daniels, Inc., an insurance brokerage. The terms of the agreement result in Daniels + Tansey receiving substantially all of the revenues of Daniels & Daniels, Inc.

As licensed insurance agents, Christopher F. Daniels and DeVon Daniels may recommend to advisory clients a variety of insurance products and they may offer commissionable (non-variable) insurance products to Advisor's clients for which Mr. Daniels and Ms. Daniels may receive compensation. The firm mitigates this conflict by not providing investment management services for these types of assets.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Advisor's employees may buy or sell for themselves securities that they also recommend to clients. This can create an inherent conflict of interest. Daniels + Tansey has addressed this potential conflict in its Code of Ethics. The Code of Ethics defines certain policies adopted by the Advisor that relate to personal trading and business practices of employees to ensure that the Advisor resolves any such conflicts in favor of Clients.

### ***Code of Ethics***

Daniels + Tansey has adopted a Code of Ethics based on the principle that all Advisory representatives and certain other persons of Daniels + Tansey have a fiduciary duty to place the interest of the client ahead of their own and Daniels + Tansey's. This Code of Ethics applies to all "access persons". "Access persons" are all employees, directors, officers, partners or members of Daniels + Tansey who:

- Have access to nonpublic information regarding advisory clients' purchases or sales of securities.
- Are involved in making securities recommendations to advisory clients.
- Have access to nonpublic recommendations or portfolio holdings of clients.

Access persons must avoid activities, interests and relationships that might interfere with making decisions in the best interests of Daniels + Tansey's advisory clients. Daniels + Tansey has established the following restrictions in order to ensure its fiduciary responsibilities:

- Daniels + Tansey emphasizes the unrestricted right of the client to specify investment objectives, guidelines and/or conditions on the overall management of their account. Daniels + Tansey's standard investment process begins with reviewing applicable state statutes, investment policy and permitted investment language provided by the client.
- Access persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the Firm shall prefer his or her own interest to that of the advisory client.
- Daniels + Tansey and its access persons generally may not purchase and sell securities being considered for, or held by client accounts without pre-clearance by the Firm's Compliance Officer. Moreover, if the security is a thinly traded security (with average daily volume below 100,000 shares per day) investment personnel may be subject to a blackout period from trading in such securities.
- Daniels + Tansey or individuals associated with the Firm may buy or sell for their personal accounts investment products identical to those recommended to clients. It is the expressed policy of Daniels + Tansey that no person employed by the Firm may enter an order to purchase or sell any security prior to a transaction being implemented for an advisory account (in accordance with standard "front running" guidelines), and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts. Further, employees may sign investment management agreements with the Company and elect similar investment strategies as those available to clients. When effectuating transactions for various investment strategies, Daniels + Tansey ensures that no employee accounts receive executions on a basis more favorable than the executions for Clients.

- Daniels + Tansey and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Firm's Compliance Officer.
- The Firm requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Records will be maintained of all securities bought or sold by the Firm, access persons of the Firm, and related entities. Mr. Daniels will review these records on a regular basis.
- Any individual not in observance of the above may be subject to termination.

In addition, Daniels + Tansey maintains additional policies with respect to confidentiality, receipt of gifts by employees and prohibitions regarding solicitation of gifts and “pay to play” practices as part of this Code of Ethics in order to ensure the fiduciary duty of placing client’s interests ahead of Daniels + Tansey’s or its employees. A copy of Daniels + Tansey’s Code of Ethics policy is available to clients upon request.

## **ITEM 12 - BROKERAGE PRACTICES**

### ***INVESTMENT OR BROKERAGE DISCRETION***

Pursuant to and subject to limitations of the agreements under which Daniels + Tansey provides investment management services, Daniels + Tansey generally has authority to determine, without obtaining specific client consent, the securities to be bought and sold for client accounts, including the amounts of such securities, price at which to transact and to negotiate transaction costs. Such authority may be subject to client directions relating to trade executions.

### ***SUGGESTION OF BROKERS TO CLIENTS***

Daniels + Tansey is given trading authorization by its clients to purchase or sell certain types of securities, within specified limitations, as agree upon from time to time with its clients. The broker-dealer to be used may or may not be specified by the client. Where the broker-dealer is the custodian, Daniels + Tansey may or may not execute a trade away from the broker. Daniels + Tansey will suggest broker-dealers and/or custodians to clients who request such recommendations. Clients have the final choice as to a selection. In selecting or recommending broker-dealers, Daniels + Tansey does not consider client referrals received from broker-dealers.

It is Daniels + Tansey’s policy to seek best execution when executing transactions on behalf of clients. Best execution consists of obtaining the most favorable result, considering the full range of services provided, under the prevailing market conditions. Best execution is not necessarily measured by the circumstances surrounding a single transaction but may be measured over time through multiple transactions. In selecting a specific broker/dealer to execute a transaction, Daniels + Tansey may consider any one or more of the following factors, based on the specific circumstances of the transaction: size of the order, price of the security, execution difficulty, liquidity of the security, market and exchange conditions, macro-economic conditions, current news events, order flow information, speed of execution desired, broker willingness to commit capital and minimize trading costs associated with implementing an investment decision and commission cost.



When Daniels + Tansey decides to purchase or sell the same security for multiple clients, Daniels + Tansey may, consistent with its obligation to seek best execution, aggregate client orders in an effort to achieve a timely, equitable or efficient execution. Daniels + Tansey has adopted trade rotation policies designed to ensure that trade orders for the purchase or sale of securities are communicated in a manner and sequence that is fair and equitable for all clients. The process generally includes the use by the investment team of a trade rotation list that determines the sequence in which trade orders are communicated to broker-dealers.

From time to time, clients may instruct Daniels + Tansey to direct brokerage to particular broker-dealers. In such circumstances, Daniels + Tansey will seek to achieve best execution of securities trades; however, there is no guarantee that best execution can be achieved under such circumstances. As such, these clients may pay higher commission costs, transactions costs or other fees than other Daniels + Tansey clients who have not given such an instruction.

Daniels + Tansey employs sub-advisors to provide direct investment management on behalf of Daniels + Tansey clients. To the extent that trading practices occur at the sub-advisor level, on a periodic basis Daniels + Tansey requires sub-advisors to complete a due diligence questionnaire. In this document, the sub-advisor, DTIP, makes representations and assurances to Daniels + Tansey regarding best execution and other trading practices that impact Daniels + Tansey clients.

Brokerage Firms charge commissions (ticket charges) for executing Advisor's transactions. With respect to investment advisory accounts, Advisor does not receive any part of these separate charges and transaction costs are not absorbed by Advisor, as described earlier.

Advisor recommends TD AMERITRADE Institutional. TD AMERITRADE Institutional is a division of TD AMERITRADE Inc., member FINRA/SIPC ("TD AMERITRADE"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD AMERITRADE through its participation in the program. There is no direct link between Advisor's participation in the program and the investment advice it gives to its clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors.

These benefits include the following products and services provided without cost or at a discount: duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts; the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology and practice management products or services provided to Advisor by third party vendors.

TD AMERITRADE may also have paid for business consulting and professional services received by Advisor or its personnel and may also pay or reimburse expenses (including travel, lodging, meals, and entertainment expenses) to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit Advisor but may not benefit its client accounts. These products or services

may assist Advisor in managing and administering client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Advisor manage and further develop its business enterprise.

The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Advisor's choice or recommendation of TD AMERITRADE for custody and brokerage services.

### **ITEM 13 - REVIEW OF ACCOUNTS**

DeVon Daniels, Christopher F. Daniels, Christopher W. Daniels and Jordan Daniels review all accounts internally at least on an annual basis. More frequent reviews may occur due to the client's individual circumstances, economic conditions or general factors affecting the financial markets. The Advisor attempts to schedule meetings with clients at least on an annual basis or more frequently if desired by the client or if circumstances warrant.

Daniels + Tansey provides to each client a quarterly report with an investment commentary and performance returns. Clients receive statements from their qualified custodian showing, among other things, securities held, transactions in the account in the past quarter, security cost, security market value and advisory fees paid to Daniels + Tansey. Clients who are advised through a third-party program may receive periodic reports from the Program Sponsor instead of directly from Daniels + Tansey.

### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

#### ***USE OF UNAFFILIATED SOLICITORS***

The Advisor pays referral fees (non-commission) to independent solicitors (non-registered representatives) for the referral of their Clients to the Advisor in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Advisor's solicitation fees will not result in higher costs to the client. In this regard, the Advisor maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to the Advisor will be given full written disclosure describing the terms and fee arrangements between the Advisor and its Solicitor(s).

#### ***OTHER COMPENSATION***

As previously disclosed in Items 5 and 10, investment adviser representatives affiliated with insurance companies are provided opportunities to receive bonuses, prizes or awards for these separate sales activities. As such, this presents a conflict of interest that clients should be aware of. We mitigate this conflict by disclosing it to our clients.

## **ITEM 15 - CUSTODY**

Rule 206 (4) – 2 of the Investment Advisers Act of 1940 addresses custody of funds or securities of clients by investment advisors. Consistent with the rule, Daniels + Tansey requires that clients' funds or securities must be retained with a "qualified custodian" who provides at least quarterly statements, either printed or electronically, to clients.

In addition to statements provided to clients directly from their qualified custodian, Daniels + Tansey provides investment commentary and performance reporting to clients. In the event of questions or any noted discrepancies, the client is urged to contact the qualified custodian or our firm.

Daniels + Tansey directly debits client accounts to collect fees. Daniels + Tansey also provides bill pay services as part of its Family Office for a small group of clients. These services are deemed as "custody" under Rule 206 (4)-2 of the Investment Advisers Act of 1940. Outside of Family Office Services, Daniels + Tansey is deemed to have custody of certain client accounts due to fact that client's provide limited authorization for the use of third-party standing letters of instructions (SLOAs).

In order to comply with the custody rules, Daniels + Tansey engaged Belfint, Lyons and Shuman, P.A., of Wilmington, Delaware, in 2019, authorizing the firm to conduct a surprise examination. The exam is meant to test records and other procedures to enable an opinion as to whether Daniels + Tansey has continued to comply in all material respects with appropriate provisions of Rule 204-2(b) and Rule 206 (4)-2 of the Investment Advisers Act of 1940.

## **ITEM 16 - INVESTMENT DISCRETION**

Daniels + Tansey manages accounts primarily on a discretionary basis with full authority to make purchase and sale decision for client accounts. At a client's request, Daniels + Tansey may also enter into non-discretionary agreements that require client consultation/approval prior to enacting purchase or sale of securities for the account. Daniels + Tansey's Investment Policy Statements also allow the clients to enumerate any specific exclusions, restrictions or special considerations in managing either discretionary or non-discretionary accounts.

## **ITEM 17 - VOTING CLIENT SECURITIES**

Clients should be aware that proxy-voting authority is determined by the separate subadvisor. While Daniels + Tansey does not directly vote proxies on their clients' behalf, the subadvisors employed may indeed do so. Please refer to the respective subadvisor's ADV Part 2A, Item 17 for additional information regarding their proxy-voting policy.

## **ITEM 18 - FINANCIAL INFORMATION**

Daniels + Tansey does not require or solicit prepayment of client fees six or more months in Advance. Daniels + Tansey believes that its financial conditions is sound and not likely to impair the Advisor's ability to meet contractual commitments to clients.