

## **Prairie Rivers Investments LLC**

1507 West Main Street  
Robinson, IL 62454

618-544-9010

[www.ourpri.com](http://www.ourpri.com)

September 30, 2020

Part 2A Brochure

This brochure provides information about the qualifications and business practices of Prairie Rivers Investments LLC ("Prairie Rivers Investments"). If you have any questions about the contents of this brochure, please contact us at 618-544-9010. 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. Prairie Rivers Investments is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Prairie Rivers Investments LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a IARD number. The IARD number for Prairie Rivers Investments LLC is 288153.

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## ITEM 2 – MATERIAL CHANGES

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### **Summary of Material Changes**

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following changes have been made since our last filing on January 27, 2020:

- Item 10 has been updated to reflect the broker dealer affiliation to Securities America, Inc.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, Ryan Keen at [Ryan@ourpri.com](mailto:Ryan@ourpri.com) or 618-544-9010.

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

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This Disclosure document is being offered to you by Prairie Rivers Investments LLC (“Prairie Rivers Investments”) about the investment advisory services we provide. It discloses information about the services that we provide and the way those services are made available to you, the client.

We are an investment management firm located in Robinson, IL. We specialize in investment advisory services for high-net-worth individuals, institutions, charitable organizations and endowments, employer sponsored retirement plans, families, trusts and estates. The firm was established by its principal owner Pat Keen in 2016.

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting at our discretion; however, investment advisory services are initiated only after you and Prairie Rivers Investments execute an engagement letter or client agreement.

### Investment and Wealth Management and Supervision Services

We offer discretionary and non-discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. We provide these services at four different levels: Bronze, Silver, Gold and Platinum, as described below.

*Bronze Level:* Services include an Annual Review, utilization of Riskalyze, Quarterly FI360, Beneficiary Review, Power of Attorney Check-Up and an Investment Policy Statement.

*Silver Level:* Services include those listed above at the Bronze Level, plus Advisor Access+, Tax Clarity Review and Social Security Timing.

*Gold Level:* Services include those listed above at both the Bronze and Silver Levels, plus Major Purchase Assistance, a Coordinated Professional Meeting, Insurance Analysis, All Year Tax Harvesting and a Document Vault.

*Platinum Level:* Services include those listed above at the Bronze, Silver and Gold Levels plus Family Office Services, Charitable Giving Reviews & Planning and Trust Consulting.

All of our service levels include Investment Analysis, Allocation of Investments, Quarterly portfolio Reports, and Ongoing Monitoring of Client Portfolios. We primarily allocate client

assets among various mutual funds, exchange-traded funds (“ETFs”), and individual debt (bonds) and equity securities in accordance with their stated investment objectives.

Through our use of MoneyGuidePro and Riskalyze, we will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This information enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we will recommend you engage the services of other professionals for implementation purposes. You have the right to decide whether or not to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio and have allocated them, we will provide ongoing portfolio review and management services.

We will rebalance the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios and rebalance them on an ongoing basis, using our investment process and based on your investment objectives and on the combination of our market views. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

If a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf.

In all cases, you have a direct and beneficial interest in your securities, rather than an undivided interest in a pool of securities. We do have limited authority to direct the Custodian to deduct our investment advisory fees from your accounts, but only with the appropriate written authorization from you.

Where appropriate, we provide advice about any type of legacy position or other investment held in client portfolios. Clients will engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans).

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks may exist that adversely affect an account's performance. This could result in capital losses in your account.

### Financial Planning

Through the Financial Planning process, the Prairie Rivers Investments LLC team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, the Prairie Rivers Investments team will offer wealth planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Prairie Rivers Investments does not provide tax or legal advice. We will work with your independent tax/legal advisor (CPA, Estate Attorney, Insurance broker, etc.) to help create a plan tailored to your specific needs. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your plan include:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning.
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation and transfer, including liquidity as well as various insurance and possible company benefits.
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client. An annual review will be provided by the Adviser, if indicated by the Client and Adviser per the Financial Planning Agreement. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

### Employer Sponsored Retirement Plans

Prairie Rivers Investments will assist in the creation and annual maintenance of the Plan and its Investment Policy Statement (IPS). PRI will make ongoing investment alternative recommendations and monitor these choices for continued adherence to the IPS, compare them against their peers, and other fiduciary criteria. PRI will assist the plan fiduciaries in identifying a Qualified Default Investment Alternative and will assist with creating a plan to comply with all disclosures required by law and by plan mandate. PRI will provide ongoing performance reporting using multiple independent data providers and assist the plan fiduciaries in evaluating these reports for adherence to plan policies.

PRI will also assist plan sponsors in designing and implementing education tailored to the plan for participants, educating them on the plan provisions and for all investment alternatives, as well as general investment education. PRI will provide education to the Plan Committee tailored to the plan on plan features and fiduciary responsibility. PRI will serve as liaison between the plan and service providers. Periodically, PRI will assist with Requests for Proposals or Requests for Information to assist the Plan Committee in identifying and evaluating plan service providers. PRI will evaluate and assist the plan committee in benchmarking both the plan and all investment alternatives on multiple levels of fiduciary responsibility.

### Employer Sponsored Retirement Plan Consulting

Prairie Rivers Investments will assist the sponsoring employer on the administration and compliance aspects of their plan, without the expectation for investment management. Consulting services include, but are not limited to:

- Preparation of Requests for Proposal (RFP) packages
- Review of Investment Policy Statements
- Due Diligence review of investment and insurance offerings
- Review plan committee structure and administrative policies and procedures
- Review fee levels and benchmark against similar plans
- Review education and enrollment process
- Evaluate Qualified Default Investment Alternative (QDIA) options
- Review ERISA Spending Accounts or Plan Expense Recapture Accounts (PERA)

After the consultation is complete, Prairie Rivers Investments' obligation to the client will terminate and will not be under obligation to provide ongoing monitoring or updates.

### Endowment Consulting

Prairie Rivers Investments will assist endowments with the creation and ongoing maintenance of relevant documents and protocols required by regulators, and adherence to current fiduciary responsibilities. These services include, but are not limited to the creation of an Investment Policy Statement (IPS), written Conflict of Interest policy, and

creating a system to formalize, implement, monitor and organize necessary best practices for not-for-profit fiduciaries.

### Third Party Managers

Prairie Rivers Investments provides investment advice and recommendations based on the investment strategies of Third Party Managers (“Managers” or “TPM”). Selected Managers are evaluated by Prairie Rivers Investments for client use. (See more about Third Party Managers in Item 8 below).

Our services include assisting you in identifying your investment objectives and matching personal and financial data with a select list of Managers. The intent of this service is to have a selected list of high quality and recognizable third party investment management firms from which you select one or more Managers to handle the day-to-day management of your account(s). Managers selected for your investments need to meet several quantitative and qualitative criteria established by Prairie Rivers Investments. Among the criteria that may be considered are the Manager’s experience and regulatory record, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process. Information collected by our firm regarding Managers is believed to be reliable and accurate but Prairie Rivers Investments does not necessarily independently review or verify it on all occasions.

Following recommendations by our Investment Adviser Representatives (“IAR”), you will have final authority to select a Manager. The IAR will assist you in completing appropriate documents. Prairie Rivers Investments’ IARs assist clients with identifying their risk tolerance and investment objectives. IARs will recommend TPMs in relation to the client’s stated investment objectives and risk tolerance. A client may select a recommended TPM based upon the client’s needs. Clients will enter a Third Party Advisory Program Agreement directly with Prairie Rivers Investments.

Prairie Rivers Investments IARs shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the Manager. Managers may take discretionary authority to determine the securities to be purchased and sold for the client. Neither Prairie Rivers Investments nor its associated persons will have any trading authority with respect to clients’ managed account with the TPM(s).

All accounts are managed by the selected Manager and Prairie Rivers Investments does not have any discretionary trading authority with respect to such accounts. All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and Prairie Rivers Investments. Prairie Rivers Investments does not audit or verify that these results are calculated on a uniform or consistent basis



as provided by a Manager directly to Prairie Rivers Investments or through the consulting service utilized by the Manager.

Prairie Rivers Investments has entered into agreements with various independent Managers. Under these agreements, Prairie Rivers Investments offers client's various types of programs sponsored by these Managers. All third-party Managers to whom Prairie Rivers Investments will refer clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission.

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established.

#### Consulting Services

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as variable sub-account management, estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). You must independently evaluate these Firms before opening an account or transacting business, and have the right to effect business through any firm you choose. You have the right to choose whether to follow the consulting advice that we provide.

#### Wrap Fee Programs

We also provide services on a wrap fee basis as a wrap program sponsor. Under our wrap program, you will receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the client more or less than purchasing such services separately. The terms and conditions of a wrap program engagement are more fully discussed in our Wrap Fee Program Brochure. Because wrap program transaction fees and/or commissions are being paid by Prairie Rivers Investments to the account custodian, we could have an economic incentive to minimize the number of trades in the client's account. This creates a conflict of interest. We recognize the fiduciary responsibility to

place your interests first and have established policies in this regard to avoid any potential conflict of interest a wrap fee arrangement may create.

#### Assets

As of December 31, 2019, our discretionary assets under management totaled \$146,476,606 and our non-discretionary assets totaled \$0. Additional assets under our advisement total \$10,402,619.

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### ITEM 5 - FEES AND COMPENSATION

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#### Investment Management Fees and Compensation

We charge a fee as compensation for providing Investment Management services on your account. These services include advisory and consulting services, trade entry, investment supervision, and depending on the Bronze, Silver, Gold or Platinum Levels selected by you, the services listed in Item 4. Our custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See the section "Additional Fees and Expenses" below for additional details.

As described above, we offer different service platforms as part of the annual fee. Platforms with fewer services are less expensive, while platforms with more included services are more expensive. Services may be added to a lower cost platform in an à La Carte manner, for an additional fee. Our maximum annual advisory fee is for accounts paying a percentage of assets under management is 1.50%. The specific advisory fees and services are set forth in your Investment Advisory Agreement.

The fees for accounts are based on an annual percentage of your assets that we manage. The fees are billed in arrears and on a three-month billing cycle. Only the initial fee will be based upon the average daily balance of the household's total assets under management from the date the account is accepted for management by execution of the investment advisory contract by the Firm and assets are transferred, and then prorated for the number of days in the three-month billing period that your account is under management. Thereafter, the fee will be based on the average daily balance during the three-month billing period. Unless otherwise agreed upon and stated in Exhibit B of the Investment Management Agreement, fees are assessed on all assets under management, including securities, cash and money market balances. In some cases, additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Account Fee. Prairie Rivers Investments reserves the right to make exceptions to the standard advisory fee schedule and account minimums noted in this Brochure.

There may be a possibility for price or account value discrepancies due to quarter-end transactions in an account. Dividends or trade date settlements may occur and our third party billing software may report a slight difference in account valuation at quarter end

compared to what is reported on your Statement from the Custodian. Our firm has the ability to produce billing summaries, which can be provided upon request.

Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

In some instances, as stated and agreed to in the client's Investment Advisory Agreement Appendix B, the fees for certain accounts under management will be based on the quarter end value as reported by the Custodian.

Unless instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your parents, minor or adult children, siblings, or other members of your family. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a lower advisory fee. While we will discuss your account totals with you and will disclose the fee breakpoint achieved for your accounts, we must maintain confidentiality on the account totals associated with other members of the household.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. You are encouraged to review your account statements for accuracy.

Either Prairie Rivers Investments or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and billed to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Prairie Rivers Investments will continue management of the account until we are notified and given alternative instructions by an authorized party.

#### Third Party Management ("TPM Program" or "TPM") Fees

Fees and billing methods are outlined in each respective Manager's Brochure and Advisory Contract. The Client pays an on-going fee directly to the Manager based upon a percentage of your assets under management with respect to each Manager. You will receive

disclosure of all fees by the TPM, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPM.

The minimum account size for participating in a TPM Program will vary from Manager to Manager. All such minimums will be disclosed in the respective Manager's Brochure. Prairie Rivers Investments may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective Managers' disclosure documents. If you terminate your participation in the Program within five business days of inception, you will receive a full refund of the fee. Pre-paid fees will be refunded in accordance with the respective Manager's agreement and disclosure documents.

A Manager relationship may be terminated at your or your IAR's discretion. Prairie Rivers Investments may at any time terminate the relationship with a Manager that manages your assets. Prairie Rivers Investments will notify you of instances where we have terminated a relationship with any Manager you are investing with. Prairie Rivers Investments will not conduct on-going supervisory reviews of the Manager following such termination.

Factors involved in the termination of a Manager may include a failure to adhere to their stated management style or your objectives, regulatory issues, a material change in the professional staff of the Manager, unexplained poor performance, unexplained inconsistency of account performance, or our decision to no longer include the Manager on our list of approved Managers.

Prairie Rivers Investments offers several investment management programs. Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through Prairie Rivers Investments or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

#### Financial Planning Fees

Prairie Rivers Investments will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. We will determine your fee for the designated financial advisory services based on a fixed fee or hourly arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through Prairie Rivers Investments. Fixed fees for financial plans range from \$500 to \$25,000. The specific fixed fee for your financial plan is specified in your planning agreement with Prairie Rivers Investments.

Under our hourly arrangement, financial planning fees are billed at an hourly rate up to \$400.00 per hour depending on the complexity of the client's financial situation. Prior to beginning service, Prairie Rivers Investments will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed in with one half (50%) of the estimated fee due and payable at the time you enter into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$400.00. Services provided up to date of termination but not yet paid to Prairie Rivers Investments will be billed to you based on the hourly rate of \$400.00. We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

In no case are our fees based on, or related to, the performance of your funds or investments.

When both investment management or plan implementation and wealth planning services are offered, there is a conflict of interest since there is an incentive for us offering wealth planning services to recommend products or services for which Prairie Rivers Investments receives compensation. However, Prairie Rivers Investments will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As a wealth planning client, you have the right not to act upon any of our recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

#### Consulting

Prairie Rivers Investments provides consulting services for clients who need advice on a limited scope of work. Prairie Rivers Investments will negotiate consulting fees with you.

Fees may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the consulting agreement at any time. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above.

*Variable Sub-Account Management:* Variable Sub-Account asset management fees may range up to 1.0%, and will be negotiated on a case by case basis dependent on the asset size and other variables. The fees charged by Prairie Rivers Investments do not include the fees charged by the Insurance Company, which are separate and in addition to the fees we charge.

*Employer Sponsored Retirement Plan Consulting Fees:* Consultation services for employer sponsored retirement plans are billable as hourly or fixed fee. The hourly rate can be up to \$500 per hour, depending on the scope of services provided, and the complexity of the plan itself. Prior to beginning service, Prairie Rivers Investments will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Under the fixed fee arrangement, there is a range in the amount of fixed fee charged by Prairie Rivers Investments. The minimum fixed fee is \$5,000, while the maximum fee may range up to \$35,000 or more for large complex ESP's with broad services being provided by Prairie Rivers Investments. The specific fixed fee for your ESP Consultation is specified in your engagement agreement with Prairie Rivers Investments. You may be required to pay in advance a specified portion of the fixed fee upon execution of your planning agreement with us. At no time will we require payment of more than \$1,200 in fees more than six months in advance. Upon completion and delivery of the plan, the fixed fee is considered earned, and any unpaid amount is immediately due.

*Endowment Consulting Fees:* Consultation services for Endowments are billable as hourly or fixed fee. The hourly rate can be up to \$400 per hour, depending on the scope of services provided. Prior to beginning service, Prairie Rivers Investments will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Under the fixed fee arrangement, there is a range in the amount of fixed fee charged by Prairie Rivers Investments. The minimum fixed fee is \$2,000, while the maximum fee may range up to \$20,000 or more for large complex endowments with no current UPMIFA protocol in place. The specific fixed fee for your Endowment Consultation is specified in your engagement agreement with Prairie Rivers Investments. You may be required to pay in advance a specified portion of the fixed fee upon execution of your planning agreement with us. At no time will we require payment of more than \$1,200 in fees more than six months in advance. Upon completion and delivery of the plan, the fixed fee is considered earned, and any unpaid amount is immediately due.

*Long Term Care Planning:* Your PRI advisor will perform a Long Term Care needs analysis to determine the level of care and amount of coverage appropriate for your particular needs. We will perform a review and comparison of any existing long term care coverage, including premium increase history for your existing policy. Your PRI advisor may recommend a Long Term Care policy that will suit your needs, but you are under no obligation to act on that recommendation.

Long Term Care planning fees are billed at an hourly rate up to \$150 per hour. Prior to beginning service, PRI will provide an estimate of the approximate hours necessary to complete the plan. If we anticipate exceeding the estimated hours, your IAR will contact you to request authorization to provide additional services. Upon delivery of the plan and billing invoice, the hourly fees will be deducted from any retainer you paid, and any hourly fee balance remaining will be billed.

Under the fixed fee arrangement, there is a range in the amount of fixed fee charged by PRI, depending on the complexity of the client's financial situation. The minimum fixed fee is \$300, while the maximum fee may range up to \$1,000 or more for complicated LTC cases. The specific fixed fee for your LTC plan is specified in your planning agreement with PRI. You may be required to pay in advance a specified portion of the fixed fee upon execution of your planning agreement with us. At no time will we require payment of more than \$1,200 in fees more than six months in advance. Upon completion and delivery of the plan, the fixed fee is considered earned, and any unpaid amount is immediately due.

#### Administrative Services Provided by ORION Advisor Services, LLC

We have contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this

arrangement, ORION will have access to client accounts, but ORION will not serve as an investment advisor to our clients. Prairie Rivers Investments and ORION are non-affiliated companies. ORION charges our Firm an annual fee for each account administered by ORION. Please note that the fee charged to the client will not increase due to the annual fee Prairie Rivers Investments pays to ORION.

Additional Fees and Expenses:

In addition to the advisory fees paid to Prairie Rivers Investments, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Prairie Rivers Investments’ brokerage practices are described at length in Item 12, below.

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

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side by side management.

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**ITEM 7 - TYPES OF CLIENTS**

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We provide investment advice to individuals, high-net-worth individuals, foundations, endowments, employee sponsored retirement plans, charitable organizations, institutions, trusts and estates. Our minimum initial account value is \$100,000; however, we may accept accounts for less than the minimum at our sole discretion.

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

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*Investment Philosophy*

By performing goals based financial planning with each client, Prairie Rivers Investments is able to identify the unique opportunities and dangers facing each investor. Once goals have been identified, Prairie Rivers Investments endeavors to use the most conservative, lowest cost and longest track record investments to meet those goals. Unless client goals dictate otherwise, Prairie Rivers Investments approaches investing with a long term buy and hold approach, with periodic rebalancing to prevent portfolio drift.

Prairie Rivers Investments believes broad diversification and a long-term outlook lead to superior results. Our typical portfolio consists of an actively managed open-ended mutual fund core, and low cost, passively managed index funds and sector ETFs selected to



increase diversification and tax efficiency, while decreasing expenses. Per our goals based focus, this portfolio construction methodology allows Prairie Rivers Investments to narrowly tailor each portfolio to the individual investor. Typical strategies include Capital Preservation, Income, Growth and Income, and Capital Appreciation.

#### *Investment Analysis*

Prairie Rivers Investments utilizes multiple independent research providers as well as publicly available information to develop and maintain investment portfolios. A full fiduciary review is applied quarterly to each portfolio, scoring metrics such as internal investment expenses, 1, 3, and 5 year returns, and adherence to stated composition and investment goals. We look for investments with long track records of out-performing peer groups, stability of the management group and investment style, and low fees. Finally, Prairie Rivers Investments assesses on an ongoing basis that each investment is within an investor's risk tolerance.

In constructing a new portfolio, or replacing an existing portion of a portfolio, Prairie Rivers Investments will screen investments in the following ways:

- Overall Asset Class
- Investment Category
- Investment Style
- Manager Tenure
- Prospectus Expense Ratio
- Returns
  - 1, 3, 5, 10 year periods and from Inception
- Returns relative to peer investments and indexes
- Volatility
- Best and Worst Performance
  - 3 Month, 1 and 3 Year Time Periods
- Sector Analysis
- Region Analysis

To develop a complete picture of a client's investment objectives, our investment adviser representatives work one-on-one with the advisory client through the initial and on-going planning process to create an investment plan which fits the client's risk tolerance and investment objectives. Based on this information, we obtain a broad understanding of the client's investment objectives, goals, and the amount of risk the client will tolerate. To further fine tune our understanding of a client's risk tolerance, our Firm does utilize Riskalyze, a third-party vendor tool to assist in identifying the client's risk tolerance.

Riskalyze technology assists financial planners in two critical tasks: (1) measuring the risk preferences of investors, and (2) applying these preference measurements to portfolio selection. Riskalyze summarizes an investor's mean-variance risk aversion on a 99-point

scale. In connection with this output, the Riskalyze tool “quantifies” the client’s indicated investment risk tolerance through the illustration of expected return (plus/minus) and investment volatility (investment variance) which uses past data to calculate expected variance.

Our Firm works with Riskalyze to customize client portfolios using a combination of existing holdings and recommended allocation strategies to provide the client with the desired risk score identified with the Money Guide Pro financial planning program. Once the Risk Score is identified, our Firm prepares a strategy, which is also scored by Riskalyze tools. Generally, clients are recommended a mixture of strategies with various allocations, including strategies which focus on fixed income, growth, balanced, moderate, or aggressive investments, which correlate to the client’s risk score. We seek to go beyond a traditional asset allocation strategy by incorporating investments on each end of the risk spectrum.

#### Third Party Manager Analysis

We seek to recommend investment strategies that will give a client a diversified portfolio consistent with the client’s investment objective. We do this by analyzing the various securities, investment strategies, and third party management firms. The goal is to identify a client’s risk tolerance, and then find the most appropriate manager for that client.

We examine the experience, expertise, investment philosophies and past performance of independent third party managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the managers’ underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the managers’ compliance and business enterprise risks.

A risk of investing with a third party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a managers’ portfolio, there is also a risk that the manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the managers’ daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

#### Mutual Fund Strategy

Our firm may include mutual funds and exchange traded funds, (“ETFs”) in our investment strategies. Our policy is to purchase institutional share classes of those mutual funds selected for the client’s portfolio. The institutional share class generally has the lowest expense ratio. The expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for funds expenses, including 12b-1 fees, management fees, administrative fees, operating costs,

and all other asset-based costs incurred by the fund. Some fund families offer different classes of the same fund and one share class may have a lower expense ratio than another share class. These expenses come from client assets which could impact the client's account performance. Mutual fund expense ratios are in addition to our fee, and we do not receive any portion of these charges. If an institutional share class is not available for the mutual fund selected, the adviser will purchase the least expensive share class available for the mutual fund. As share classes with lower expense ratios become available, our firm may use them in the client's portfolio, and/or convert the existing mutual fund position to the lower cost share class. Clients who transfer mutual funds into their accounts with our firm would bear the expense of any contingent or deferred sales loads incurred upon selling the product. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting). All mutual fund expenses and fees are disclosed in the respective mutual fund prospectus.

#### Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, Prairie Rivers Investments is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

*Market Risk* — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

*Foreign Securities and Currency Risk* — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

*Capitalization Risk* — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have

historically been more volatile than the stocks of larger, more established companies.

*Interest Rate Risk* — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

*Credit Risk* — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

*Securities Lending Risk* — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

*Exchange-Traded Funds* — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

*ETF and Mutual Fund Risk* — When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.

*Cybersecurity Risk* - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at our firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in

these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

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

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Prairie Rivers Investments does not have any legal, financial or other “disciplinary” items to report.

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

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##### **Insurance**

IARs of Prairie Rivers Investments may act as agents appointed with various life, disability or other insurance companies, and receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. However, clients should note that they are under no obligation to purchase any insurance products through Prairie Rivers Investments.

##### **Broker Dealer**

Certain IARs of Prairie Rivers Investments are registered representatives of Securities America, Inc (“Securities America”) a securities broker-dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of Prairie Rivers Investments and these IARs is spent in connection with broker/dealer activities.

As a broker-dealer, Securities America engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Prairie Rivers Investments or its IARs, investments in securities may be recommended for clients. If Securities America is selected as the broker-dealer, Securities America and its registered representatives, including IARs of Prairie Rivers Investments, may receive commissions for executing securities transactions. When IARs of Prairie Rivers Investments receive commissions in connection with the advice given to advisory clients, Prairie Rivers Investments may reduce a portion of its fees by the amount of the commissions earned by Prairie Rivers Investments’ IARs.

You are advised that if Securities America is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of Prairie Rivers Investments or Securities America.

Prairie Rivers Investments may provide advice regarding investment company securities. You should be aware that, in addition to the advisory fees you pay in connection with any Prairie Rivers Investments program, each investment company also pays its own separate investment advisory fees and other expenses. Such fees and expenses are disclosed in the mutual fund's prospectus. In addition, clients should be aware that mutual funds may be purchased separately, independent of the investment management services of Prairie Rivers Investments.

Moreover, you should note that under the rules and regulations of FINRA, Securities America has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require Securities America to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than Securities America.

Certain IARs of Prairie Rivers Investments may, in their capacity as registered representatives of Securities America, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received by Prairie Rivers Investments or these IARs in connection with the advice given to advisory clients, Prairie Rivers Investments may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by Prairie Rivers Investments or these IARs. However, clients should note that they are under no obligation to purchase any investment products through Prairie Rivers Investments or its IARs.

Clients should be aware that the ability to receive additional compensation by Prairie Rivers Investments and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Prairie Rivers Investments endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees or Related Companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;

- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Prairie Rivers Investments and persons associated with us are allowed to invest for their own accounts or to invest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Prairie Rivers Investments, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of Prairie Rivers Investments shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No

director, officer or employee of Prairie Rivers Investments shall prefer his or her own interest to that of the advisory client.

2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Prairie Rivers Investments.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any custodian (except in situations where we are granted discretionary authority) he or she wishes.
5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2; Attn: Chief Compliance Officer.

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#### **ITEM 12 - BROKERAGE PRACTICES**

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We participate in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers services to independent investment advisors that include custody of securities, trade execution, clearance and settlement of transactions.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Prairie Rivers Investments or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Prairie Rivers Investments or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at TD Ameritrade. We may recommend that you establish accounts with TD Ameritrade to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

We place trades for your account subject to our duty to seek best execution and other fiduciary duties. We may use broker/dealers other than your custodian to execute trades for your account. The practice of using other broker/dealers may result in additional costs to you so that we are more likely to place trades through your custodian rather than through other broker/dealers. Your custodian's execution quality may be different than other broker/dealers.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully-disclosed separately to our existing clients (if any) and the broker/dealer(s) through which such transactions will be placed;

2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our investment advisory agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### **Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the custodian, the custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

We do not routinely recommend, request or require that you direct us to execute transaction through a specified custodian. Additionally, we typically do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties. As a matter of policy and practice, we do not utilize research, research-related products and other services obtained from broker-dealers or third parties, on a soft dollar basis.

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## ITEM 13 - REVIEW OF ACCOUNTS

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### **Account Reviews and Reviewers – Investment Supervisory Services**

The underlying securities within the investment supervisory services are monitored on a periodic basis. These reviews will be made by the firm's IARs. An annual review with the client is usually conducted in person or by telephone.

The purpose of all these reviews is to ensure that the investment plan continues to be implemented in a manner which matches your objectives and risk tolerances. More-frequent reviews may be triggered by material changes in variables such as your individual circumstances, or the market, political or economic environment. You are urged to notify us of any changes in your personal circumstances.

### **Statements and Reports**

Through an agreement with ORION, Prairie Rivers Investments will have the ability to provide clients with Performance/Position summary reports upon request. Reports may also be provided at every client meeting. Communication to clients will be done on an as needed basis with a minimum of 1 contact per calendar quarter.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Prairie Rivers Investments against the account statements you receive directly from your account custodian.

Financial Planning/Consulting clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

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## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

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Prairie Rivers Investments does not pay referral fees or receive compensation for referrals.

Prairie Rivers Investments refers clients to a Third Party Manager and will be paid an on-going fee by the Manager based upon a percentage of your assets under management with respect to each Manager. You will receive disclosure of all fees paid to Prairie Rivers Investments by the TPM, which include the terms of the compensation arrangement and

a description of the compensation paid, at the time of signing an advisory agreement with the TPM. Prairie Rivers Investments negotiates its solicitor fee with each Manager.

As disclosed under Brokerage Practices, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent Investment Advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Prairie Rivers Investments or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by Prairie Rivers Investments or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

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## ITEM 15 - CUSTODY

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Prairie Rivers Investments is deemed to have custody of client funds and securities whenever Prairie Rivers Investments is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Prairie Rivers Investments will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Prairie Rivers Investments has the authority to have fees deducted directly from client accounts, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Prairie Rivers Investments. When you have questions about your account statements, you should contact Prairie Rivers Investments or the qualified custodian preparing the statement.

Clients will provide written authorization permitting the fees to be paid directly from their *account held by the qualified* custodian. When fees are deducted from an account, Prairie Rivers Investments is responsible for calculating the fee and delivering instructions to the custodian.

### **Standing Letters of Authorization ("SLOA")**

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The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. Our firm only allows disbursement client funds to first parties. Therefore, custody is not inputted.

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## ITEM 16 - INVESTMENT DISCRETION

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For discretionary accounts, prior to engaging Prairie Rivers Investments to provide investment advisory services, you will enter into a written agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Prairie Rivers Investments, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds, or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such authority will be communicated by you to us in writing.

The limitations on investment and brokerage discretion held by Prairie Rivers Investments for you are:

1. For discretionary clients, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be included in this written authority statement. You may change/amend these limitations as required. Such amendments shall be submitted in writing.

Research products and services received by us from custodians will be used to provide services to all our clients.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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## ITEM 17 - VOTING YOUR SECURITIES

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Prairie Rivers Investments will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party to do so at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients are able to contact our office with questions about a particular proxy solicitation by phone at 618-544-9010.

**Class Action Suits** - A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that

publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

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**ITEM 18 - FINANCIAL INFORMATION**

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This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.