



Part 2A of Form ADV: Firm Brochure & Privacy Policy

April 8, 2021

***Main Office***

910 E. St. Louis Street, Suite 400  
Springfield, MO 65806  
417.866.5822  
**bkdfamilyoffice.com**

This brochure provides information about the qualifications and business practices of BKD Wealth Advisors, LLC doing business as BKD Family Office®. If you have any questions about the contents of this brochure, please contact us at 417.831.7283 or by email at [nconklin@bkd.com](mailto:nconklin@bkd.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about BKD Family Office is available at the SEC's website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Please note: Registration with the SEC or references to BKD Family Office as a registered investment adviser or any reference to being registered does not imply a certain level of skill or training.

## Item 2 – Material Changes

BKD Family Office has had the following material changes since the last update on August 21, 2020.

Item 4 revised to document use of use of sub-advisors and the impact of on client fees.

If you would like an additional copy of this brochure, please download it from the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), visit **bkdfamilyoffice.com** or contact Chief Compliance Officer Nicole Conklin at 417.831.7283 or [nconklin@bkd.com](mailto:nconklin@bkd.com).

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## Item 4 – Advisory Business

BKD Family Office (BKDFO) is dedicated to enhancing our clients' financial lives and preserving their family legacy by providing a comprehensive financial strategy individually tailored to meet their specific needs. We understand that for a family to have a lasting legacy, the family must collaborate with an advisor who can provide a broad range of services. BKDFO integrates services of our firm as well as other external advisors, which could include services such as tax and asset protection planning, investment management, trust administration and philanthropic advice, along with many other services designed to address generational needs. Our role is to assist our clients in simplifying their complex financial lives so they can enjoy the benefits of their success. Our independent and objective approach allows us to focus on each client's unique needs by providing highly personalized services.

BKD Wealth Advisors, LLC, doing business as BKD Family Office, is an investment advisory firm registered with the SEC and a wholly owned subsidiary of **BKD, LLP** (BKD), a national CPA and advisory firm.

BKD has been providing families with financial consulting services since 1923.

Services provided by BKDFO include:

- Family governance administration
- Wealth transfer/estate planning
- Investment management and investment consulting
- Risk management consulting
- Philanthropic strategies
- Technology services
- Financial statements
- Accounting and tax services

Services may be provided by BKD as described below or outsourced to external consultants. In the event we refer you to an external consultant, we will not receive any compensation, directly or indirectly, for making such a referral.

### **FAMILY GOVERNANCE ADMINISTRATION**

To achieve your family's goals, it is imperative you have a clear and collective understanding of those goals and an intentional approach to meeting them. Our BKDFO professionals will work with you and our external consultants to develop a family mission statement and education program that will serve your family and future generations. As we continually focus on building and preserving your family's legacy, we will assist with family meetings, governance and education to help create a positive family culture conducive to working together for multiple generations. This allows you to concentrate on what is important to your family.

### **WEALTH TRANSFER/ESTATE PLANNING**

An integral component of managing your wealth is the development, design and implementation of a customized estate plan that meets your goals while preserving your wealth for future generations. BKDFO advisors will work with your attorneys to create a plan that helps reduce the effect of federal and state estate tax, as well as income taxes, so you can make the most of your financial legacy. BKDFO advisors have in-depth

experience not only in estate and gift tax planning but also in the taxation of individuals, corporations and partnerships and in asset protection techniques. This enables you to use advanced techniques to help you accomplish your estate planning objectives. For your plan to be successful, it should be reviewed and monitored regularly and adjusted as needed to reflect changes in your family. BKDFO can assist you with this process.

Please notify your BKDFO advisor if there is ever any change in your financial situation or investing objectives for the purpose of reviewing, evaluating or revising BKDFO's previous recommendations and/or services. In some cases, a written financial plan is prepared and provided, although sometimes there is no written comprehensive document. Once your plan has been developed and approved by you, your advisory team will begin the plan implementation and will continue to monitor your plan to meet your family's changing needs.

## **INVESTMENT MANAGEMENT SERVICES & INVESTMENT CONSULTING**

As we listen to your family's objectives, we will help your family develop an Investment Policy Statement (IPS) that documents the goals you have identified. This statement will be the basis for developing and managing your investment portfolio. As part of your investment management services, we will tailor our recommendations to a strategy suitable to your specific needs and goals. Once your plan has been developed and approved by you, our team will begin the plan implementation and will continue to monitor it to meet your family's changing needs.

### **Discretionary Management of Accounts**

Discretionary BKDFO accounts are managed in accordance with the guidelines and parameters established in the written IPS, based on our clients' objectives for the specific pool of funds.

### **Restrictions**

You can impose reasonable restrictions on your account(s), *e.g.*, no tobacco stocks. All such restrictions shall be documented in writing. Restrictions are modified by providing us with written documentation. We reserve the right to refuse to open an account if we believe the restrictions placed are excessive and would limit our abilities to manage the account effectively and prudently. Please understand that the imposition of portfolio restrictions can affect performance of your portfolio(s).

### **Nondiscretionary Management of Accounts**

We also manage advisory nondiscretionary accounts, meaning specific consent must be granted prior to each transaction. You have an unrestricted right to decline or implement any advice issued on a nondiscretionary basis. Clients who engage BKDFO on a nondiscretionary investment advisory basis must be willing to accept that BKDFO cannot effect any account transactions without obtaining prior consent to any transaction(s). Thus, in the event of a market correction during which you are unavailable, BKDFO will be unable to effect any account transactions (as it would for discretionary clients) without first obtaining your consent.

## **INVESTMENT CONSULTING**

Based on your specific needs, BKDFO will remain available to assist you with any aspect of your financial life, including special projects and/or ongoing investment management consulting.

## **ADDITIONAL SERVICES**

### **Independent Money Managers**

If suitable, BKDWA may engage or recommend the client engage third-party money managers. Depending on the arrangement with the specific third-party money manager, clients may either engage directly with the money manager or BKDWA may allocate assets to the money manager pursuant to a sub-advisory agreement between BKDWA and the money manager. These arrangements can allow clients to obtain portfolio

management services that typically require higher minimum account sizes. The money managers will have discretion to determine the securities they buy and sell within the account, subject to reasonable restrictions imposed by the client.

Clients should carefully review disclosure documents of each money manager for important and specific program details, including pricing. Independent money managers provide investment management services for an additional fee separate and apart from the fees charged by BKDWA. BKDWA can provide the disclosure document(s) of any engaged money manager upon client request.

## **RISK MANAGEMENT CONSULTING**

A BKDFO advisor will work with you to understand your family's financial risks. If you choose, we will have your current property and casualty insurance coverage and life insurance coverage reviewed by a consultant specializing in the needs of families like yours. When appropriate, our BKDFO professionals will coordinate with external providers to obtain and evaluate insurance proposals and identify whether additional coverage is needed.

## **PHILANTHROPIC STRATEGIES**

For many families, charitable giving and philanthropic legacies are important aspects of their overall mission. BKDFO advisors can assist you with legacy planning and advise you on charitable planning techniques, allowing you to implement your mission while increasing the tax benefits of charitable gifting. If appropriate, our advisors also can be available to provide foundation administration.

## **TECHNOLOGY SERVICES**

BKD Technologies, a division of BKD, has a dedicated team of advisors with experience in industry-leading family business and financial management software. This team provides services ranging from accounting, process automation and expense reporting to intercompany capabilities and security solutions.

## **FINANCIAL STATEMENTS**

We can provide your family with updated financial statements that reflect information that is both meaningful and customized based on your needs. BKDFO professionals can assist you with developing balance sheet and cash flow modeling and work with you to identify your credit and spending trends.

## **ACCOUNTING & TAX SERVICES**

Understanding tax implications and consequences is a large part of any financial strategy. BKDFO advisors understand the ever-changing tax laws to help meet your needs. Based on your specific circumstances, we can provide customized analysis, individual and entity tax compliance services, tax planning strategies and tax projections.

### **Individual Tax Services**

BKDFO advisors go beyond your Form 1040 return to analyze both current and projected income, as well as your plans to transfer wealth. We then recommend tax planning opportunities to help reduce taxes, including timing income and deductions, analyzing after-tax returns of tax-exempt income and other tax-advantaged investments, obtaining capital gains in lieu of ordinary income and the use of gifts and trusts for income shifting when possible. Our forward-looking, proactive approach can help you grow and preserve assets, defer income and reduce taxes on your income, estate, gifts, investments and retirement distributions.

Whether with wealth planning, compliance or consulting, our goal is the same— to provide you with recommendations and strategies within the law to help you build your net worth and reduce your tax burden.

## Strategic Tax Planning

Beyond our compliance services, BKDFO provides a variety of tax planning and consulting services, from federal tax planning, state and local tax issues and international tax advice to transfer pricing, mergers and acquisitions planning and due diligence engagements, to provide guidance and practical direction in developing appropriate strategies to help reduce tax exposure.

BKD's tax advisors routinely monitor legislative activity, court rulings and regulatory guidance affecting tax law and provide you with informative tax alerts. We develop strategies to help you take advantage of benefits within the tax law and use our professional judgment and experience to advise you about actions you can take to reduce your tax burden. This forward-looking approach to developing advantageous tax strategies will allow you to confidently plan for the future.

Work described above may be provided by CPAs of BKD or your preferred tax professional. The relationship to BKD is described in more detail in Item 10 – Other Financial Industry Activities & Affiliations.

## MISCELLANEOUS DISCLOSURES

**Retirement Rollovers – Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and can engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account or (iv) cash out the account value (which could result in adverse tax consequences depending on the client's age). If BKDFO recommends that a client roll over their retirement plan assets into an account to be managed by BKDFO, such a recommendation creates a conflict of interest if BKDFO will earn an advisory fee on the rolled-over assets. No client is under any obligation to roll over retirement plan assets to an account managed by BKDFO.

**Portfolio Activity.** BKDFO has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, BKDFO will review client portfolios on an ongoing basis to determine if any changes are necessary based on various factors, including but not limited to investment performance, mutual fund manager tenure, style drift and/or a change in the client's investment objective. Based on these factors, there can be extended periods of time when BKDFO determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by BKDFO will be profitable or equal any specific performance level(s).

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

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

**Disclosure Statement.** A copy of BKDFO's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of an advisory agreement with BKDFO.

## ASSETS UNDER MANAGEMENT

As of May 31, 2020, we actively managed a total of \$3,703,993,084 in client assets. This represents \$3,584,975,410 in discretionary client assets and \$119,017,674 in nondiscretionary client assets. We advise or consult on \$555,474,362 in additional assets for a total of \$4,259,467,446.

## Item 5 – Fees & Compensation

### INVESTMENT MANAGEMENT FEES

The exact fee charged will be stipulated within the portfolio management agreement or consulting agreement and applies to all assets within the portfolio or household as defined in the agreement. Factors we consider when determining fees include, but are not limited to, the following:

- Services we provide
- Estimated time to provide services
- Expertise used to provide services
- Size of portfolio/assets under management
- Types of securities to be purchased, sold or held within the portfolio
- The custodian used to hold the client's assets (assets held outside of our recommended custodians typically increase our costs of doing business)
- The amount of unmanaged assets, if any
- The extent of additional services to be provided
- Whether the account is discretionary or nondiscretionary (we typically charge more for nondiscretionary account management)
- Other professional services the client uses from our affiliated firms

BKDFO, in its sole discretion, can charge a greater or lesser investment management fee and/or reduce or waive its aggregate account minimum based on certain criteria, *e.g.*, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc. In addition, employees, officers and partners of BKDFO and BKD are charged a discounted rate. As a result of these factors, similarly situated clients could pay diverse fees, and the services to be provided by BKDFO to any particular client could be available from other advisors at lower fees. All clients and prospective clients should be guided accordingly.

Fees are calculated as follows:

$(\text{Account Value} \times \text{Annual Fee \%}) / 4 = \text{Quarterly Fee}$

### Investment Consulting Fees

Fees for investment consulting services and special projects are charged on an hourly, fixed, retainer or percentage-of-assets basis (or some combination). The agreed-upon fee could be more or less than other fee payment options. We charge separately for expenses, such as travel and third-party products, necessary to provide consulting services.



Hourly rates range from \$100 to \$500 per hour, based on the knowledge and experience of the individual providing the work. Hourly fees are invoiced monthly.

Asset-based fees for investment consulting and other special projects are billed quarterly in advance. These fees are prorated for accounts opened or closed during a calendar quarter and are based on the assets consulted on. The fee will typically range from 0.15 percent to 1.5 percent based on the complexity of the client's needs, frequency and types of reporting, analysis and manager performance plotting, among other factors (including many, but not all, of the criteria listed in the Investment Management Services & Investment Consulting section above).

Payment is due within 30 days of receipt of the invoice. In some cases, these fees will be deducted from the client's account(s).

### **Fee Payment**

Advisory fees are charged quarterly in advance and are not tiered in their calculation. The initial quarterly fee will be charged in arrears, prorated based on the number of days the account was open during the initial quarter.

Unless directed otherwise, we will deduct your fees directly from your account on a quarterly basis. If requested, we will provide a copy of the invoice. We request payment in full within 30 days. Statements provided by your custodian will detail the total amount of the fees that were deducted each quarter. If the invoice(s) has not been paid in full within 60 days of receipt of the invoice, fees can be debited directly from your account(s). Fees are not verified by your custodian; please review these fees for accuracy on a periodic basis.

### **Valuation of Securities/Accounts**

Your custodian is primarily used to price the securities in your account(s). If the market quotations are not available from the custodian, an Envestnet platform or a third-party provider will be used. If a pricing issue arises where there is no readily available pricing information, BKDFO shall use its best efforts to obtain all relevant information to determine a fair value. If it is deemed necessary or prudent, an independent third party will be hired to provide an appraisal of the security.

We charge advisory fees based on the valuation of your account(s) as determined by our internal portfolio management system, which interfaces and is reconciled with the custodian daily. Fees are based on the total portfolio value, which can vary from the value on the custodian statement (the valuation could be higher or lower) due to factors such as the timing and posting of dividends, settlement dates for trades and accrued interest (this may not be an all-inclusive list). The value of your account as of the last business day of the previous quarter (as shown in our internal portfolio management system) is used to determine the fees charged.

### **Bundled Pricing**

Bundled pricing services may be offered to clients of both BKDFO and BKD. Bundled pricing is designed to provide the option of paying one fee for multiple services. At the discretion of BKD and BKDFO, additional accounting services, such as individual tax return preparation, may be included as part of the standard advisory fee. At times, BKDFO will provide services through BKD, and billing will be generated by BKD—not through BKDFO.

### **TERMINATION**

All advisory agreements will continue in effect until terminated by either party under terms of the agreement. Termination of agreement will not affect the validity of any services previously provided by BKDFO. Upon

termination, the client will receive a refund of any prepaid and unearned fees (prorated for the balance of the quarter, if needed). If services have been provided, fees are therefore due and payable and the client will receive an invoice for the amount due. Any transactional or custodial charges levied by the client's custodian after the advisory agreement's termination are the client's responsibility and not the responsibility of BKDFO. We have no obligation to refund fees charged by the custodian.

#### **ADDITIONAL COSTS**

All fees paid to BKDFO for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus, which we recommend you review. These fees will generally include a management fee, other fund expenses and a possible distribution fee. You should review the fees charged by the mutual fund and the fees we charge to understand the total amount of fees paid.

BKDFO recommends no-load or load-waived mutual funds for client accounts. Some funds have imposed (or will impose) an initial or deferred sales charge. We do not participate in the sales charges charged by mutual funds.

We are not compensated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of any client. Advisory fees are charged only as described within this disclosure document. We do not have any potential conflicts of interest present that relate to any additional (and undisclosed) compensation from client or client's assets that we manage.

#### **Custodian Brokerage Transaction Fee Schedule**

All fees and transaction costs charged by the custodian are not included in the above fees. Please see Item 12 – Brokerage Practices below for more information on custodial fees.

### **Item 6 – Performance-Based Fees & Side-by-Side Management**

BKDFO does not charge performance-based fees.

### **Item 7 – Types of Clients**

#### **INVESTMENT MANAGEMENT**

There is no minimum dollar value to open or maintain an account. However, it should be noted that, depending on the program selected, transaction costs may be incurred, which would adversely affect performance. In addition, BKDFO imposes a minimum annual fee of \$50,000 on the client's account, subject to limited exceptions.

### **Item 8 – Methods of Analysis, Investment Strategies & Risk of Loss**

#### **ANALYSIS**

BKDFO uses a variety of resources and methods to conduct our analysis. These include, but are not limited to, fundamental analysis, technical analysis and cyclical information and analysis. Our primary resources for obtaining information are research materials prepared by others, financial newspapers and magazines, corporate rating services, company annual reports and press releases, prospectuses and SEC filings.

#### **INVESTMENT STRATEGIES**

Investment strategies are based on six fundamental investment beliefs:

- Global diversification reduces portfolio risk and improves return potential
- Both active and passive management have a place in portfolio design
- Investor emotions and behavior often affect investment results
- Initial valuation matters and is a critical factor in determining an asset class's future return potential
- Substance is more important than form when selecting investments
- Reducing tax consequences in the investment process is important

Our portfolio strategies are designed to suit each client's specific risk profiles, and our investment approach is long-term in focus. Where appropriate, we also occasionally complement our core long-term strategy with short-term investments, including margin transactions and the purchase of stock options.

BKDFO offers advice on a wide spectrum of investments and investment programs, including short-term money market securities, corporate, municipal and U.S. government fixed income securities, exchange listed, over-the-counter and foreign equities, investment company securities such as mutual funds, separately managed accounts and annuities.

## **RISKS**

All investments in securities include varying degrees of risk. Stock markets and bond markets can fluctuate substantially over time. In addition, the performance of any investment is not guaranteed. BKDFO will manage client assets to the best of the firm's ability; however, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by BKDFO) will be profitable or equal any specific performance level(s).

The majority of BKDFO's investment strategies will be executed with the use of publicly traded, managed vehicles such as open-ended mutual funds, exchange-traded funds and separately managed accounts. These funds, as well as other investment types employed, carry the following material risk: domestic market risk, international market risk, active management risk, interest rate risk, credit risk, issuer risk, liquidity risk, leveraging risk and currency risk.

## **PANDEMIC RISKS**

Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment funds and portfolios and/or our business. For example, uncertainties regarding the novel Coronavirus (COVID-19) outbreak have resulted in serious economic disruptions across the globe. These types of outbreaks can be expected to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the market place, including stock market losses and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. We have in place business continuity plans reasonably designed to ensure that we maintain normal business operations, and that our investment portfolios and client assets are protected, and we periodically test those plans. However, in the event of a pandemic or an outbreak, there can be no assurance that we or our and our investment funds' and portfolios' service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

## Item 9 – Disciplinary Information

BKDFO is required to disclose all material facts regarding any legal or disciplinary events that would materially affect your evaluation of BKDFO or the integrity of BKDFO management. This statement applies to the firm and every employee. No events have occurred at BKDFO that are applicable to this section.

## Item 10 – Other Financial Industry Activities & Affiliations

### ACCOUNTING FIRM

All individuals employed with BKDFO are considered dually employed by BKD, a certified public accounting firm and BKDFO's parent company. BKD's principal services include auditing financial statements and other financial statement services, preparing tax returns and other related accounting, business and tax services. BKD does not sell products other than computer software. Tax and related solutions provided to BKDFO clients can be provided by BKD. We may recommend BKD to clients in need of tax, accounting or business consulting services. These services are separate from our advisory services but may be bundled for pricing purposes as outlined above. Clients are not obligated to use BKD's services and can choose to engage the services of an unaffiliated accounting firm. BKDFO's recommendation to use BKD's services presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received, rather than any particular client's need.

### BROKER-DEALER

We are, through common control and ownership, affiliated with BKD Capital Advisors, LLC, formerly BKD Corporate Finance, a limited purpose broker-dealer registered with the Financial Industry Regulatory Authority (FINRA) and the SEC. BKD Capital Advisors is licensed to perform certain investment banking functions, such as mergers and acquisitions and business valuations. We may make uncompensated client referrals to this entity for services that could be useful to our clients. You are under no obligation to use the services provided by BKD Capital Advisors. Besides these potential referrals, there is no material relationship between the services provided by BKD Capital Advisors and BKDFO. BKDFO's recommendation to use the services of BKD Capital Advisors presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received by BKDFO's affiliated entity, rather than any particular client's need.

## Item 11 – Code of Ethics

Through our professional activities, we realize a potential conflict of interest if the firm or individuals associated with the firm purchase or sell securities for their personal accounts identical to those recommended to clients. BKDFO has established rules of conduct for all employees and partners that are designed to, among other things, govern personal securities trading activities in employees' accounts. The Code of Ethics (Code) is based on the principle that BKDFO and its employees owe a fiduciary duty to BKDFO clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- Serving their own personal interests ahead of clients
- Taking inappropriate advantage of their position with the firm
- Any actual or potential conflicts of interest or any abuse of their position of trust and responsibility

The Code is designed to ensure that BKDFO continues to maintain and apply its high ethical standards. The purpose of the Code is to deter activities that lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct.

Pursuant to Section 206 of the Advisers Act, both BKDFO and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. BKDFO has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

BKDFO requires all employees to sign an Acknowledgment of Receipt of the Code at the time of hire, as amended and annually thereafter. To request a complete copy of BKDFO's Code of Ethics, email Chief Compliance Officer Nicole Conklin at [nconklin@bkd.com](mailto:nconklin@bkd.com).

## **Item 12 – Brokerage Practices**

### **RECOMMENDATION OF A CUSTODIAN**

We generally recommend that all clients select National Financial Services LLC and Fidelity Brokerage Services, LLC (together with all affiliates, "Fidelity") as custodian to participate in our programs. Fidelity is a member of FINRA and the Securities Investor Protection Corporation (SIPC) and is a registered broker-dealer. Fidelity maintains custody of clients' assets and effects trades in their accounts. BKDFO is not affiliated with Fidelity. In recommending Fidelity, we have evaluated Fidelity and determined they offer our clients an excellent blend of service, financial strength, competitive commission rates and access to mutual funds otherwise not available to us or our clients, along with other factors. See the Additional Compensation section below for additional details.

We participate in back-office support programs sponsored by Fidelity. This program and the services provided, including trading platforms, are essential to our service arrangements and capabilities. As part of our participation in these programs, we receive benefits that we would not receive if we did not offer investment advice. See the Additional Compensation section below for more details.

Under limited circumstances, BKDFO accepts client instructions for directing the client's brokerage transactions to a particular custodian/broker other than those suggested by the firm (directed brokerage). In directing us to use a specific custodian, the client should understand we will not have the authority to negotiate commissions among various custodians or obtain volume discounts. This also could affect our ability to achieve best execution.

BKDFO does not participate in soft dollar arrangements. BKDFO does not engage in principal, cross or agency-cross transactions for any client.

Even though we recommend a specific custodian, clients should evaluate Fidelity to help ensure the custodian selected will provide the best blend of service and cost for their situation. For clients' accounts maintained in its custody, Fidelity does not charge separately for custody but charges account holders commission or other transaction fees. The commission and transaction fees charged by Fidelity can be higher or lower than those charged by other broker-dealers. We generally do not have the authority to negotiate the commission that will be charged to any client who uses the brokers that we recommend on a trade-by-trade basis.

### **DEDICATED PLATFORMS**

Fidelity has a dedicated platform for family offices. This is a key reason we selected this firm. This platform provides us and our clients with benefits we might not receive from other firms, in terms of pricing and services. Fidelity also makes available services intended to help BKDFO manage and further develop our business enterprise. These services include compliance, legal and business consulting, publications and conferences on practice management, information technology consulting, technology, business succession, regulatory compliance consulting and marketing. In addition, they make available, arrange and/or pay for these types of services rendered to BKDFO by independent third parties.

Through the programs in place with Fidelity, we receive direct access to real-time client account information, electronic download of trades, balances and positions and the ability to directly debit the client's advisory fee. We also could receive software and support services, including reductions in seminar and conference fees, from these program sponsors. Program services provided to us are not contingent on any specific amount of business (assets or trading).

#### **BROKERAGE DISCRETION – TRADEAWAY FEES**

Relative to its discretionary investment management services, when beneficial to the client, individual bond transactions can be effected through broker-dealers other than the account custodian—in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a “tradeaway” fee charged by the account custodian.

Clients must qualify to participate in these transactions. We use this discretionary authority to trade away from the custodian when purchasing or selling fixed income securities only. It is not used in all cases. Reasonable restrictions on this authority can be imposed, as described above.

#### **NO BROKERAGE DISCRETION**

If the account does not qualify for tradeaways, we do not have the ability to trade at any other broker other than the client's selected custodian. All transactions for the client's account will be directed to the client's custodian unless otherwise agreed upon.

#### **TRADE ERRORS**

If a trade error occurs in a client account and it is our error, we will correct the error so the client's account does not incur a loss. The client may not profit from the error, even if the correction results in a profit.

#### **ADDITIONAL COMPENSATION**

In no case will BKDFO receive or participate in economic benefits resulting from a client using a recommended external consultant.

#### **RESEARCH & ADDITIONAL BENEFITS**

Although not a material consideration when determining whether to recommend that a client use the services of a particular custodian, we receive from Fidelity without cost (or at a discount) support services and/or products, some of which assist BKDFO in better monitoring and servicing client accounts maintained at such institutions. Included within the support services obtained by BKDFO could include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by BKDFO to further its investment advisory business operations.

As indicated above, some of the support services and/or products received assist BKDFO in managing and administering client accounts. Others do not directly provide such assistance but rather assist us to manage and further develop its business enterprise.

Clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by BKDFO to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Chief Compliance Officer Nicole Conklin remains available to address any questions regarding the above arrangement and any corresponding perceived conflict of interests.

BKDFO places trades for its client accounts subject to its duty of best execution and other fiduciary duties; however, BKDFO's recommendation that clients maintain their assets at Fidelity may be based in part on the benefit to us of the availability of some of these products and services and not solely on the nature, cost or quality of their custody and execution services. This creates a potential conflict of interest.

#### **BLOCK TRADING (MINI BLOCKS) & TRADE ALLOCATION**

We occasionally aggregate purchases or sales of the same security for multiple accounts. We also may include employee transactions with those of nonaffiliated clients. Each account participating in the block will receive the average price if multiple executions are required to complete the order.

We may "mini block" transactions. Mini blocks are block trades segregated by the custodian and office when purchasing or selling securities. Clients participating in a mini block do not receive the benefit of negotiated commissions, as we do not have that authority on an account-by-account or transaction-by-transaction basis. Because of our practice of managing portfolios on an individual basis, we do not frequently block transactions. This may result in clients not receiving best execution.

Client accounts that qualify for tradeaways can be blocked together. Such block trading is segregated by office. We do not aggregate block trades across accounts at all offices at the same time.

### **Item 13 – Review of Accounts**

#### **INVESTMENT MANAGEMENT**

Formal reviews are based on objectives and parameters established by the client through their individual risk tolerance survey and IPS and occur at least annually (i.e. our documented portfolio review process). All client materials are reviewed by portfolio managers or advisors authorized to perform this function. Each reviewer handles a different number of client accounts, as the number varies by office. We encourage annual reviews to be conducted virtually, via telephone or in person. In addition, our firm's Investment Committee implements a process of ongoing monitoring, review and maintenance of approved investments, which impacts each client account indirectly.

#### **REPORTS**

##### **Investment Management**

Investment management clients are provided a report on a quarterly basis. This report may identify some or all of the following information: current market value, capital contributions and withdrawals. In addition, a summary performance analysis report, which includes the portfolio rate of return, will be provided for the most recent quarter-end. This report also shows the return from the account's inception. All reports are in addition to account statements and transaction confirmations received from the client's custodian.

##### **Investment Consulting Services & Financial Planning**

Reports are provided to financial planning clients, typically when there is a plan update or when an additional service is requested. Regular reports are provided to investment consulting clients only when specifically outlined in the client agreement.



## **Item 14 – Client Referrals & Other Compensation**

As referenced in Item 12 above, BKDFO receives economic benefits from Fidelity.

BKDFO has no active solicitor agreements. However, we continue to pay referral fees from prior agreements.

In the event we refer you to another service provider, we will not receive any compensation, directly or indirectly, for making such a referral. You should conduct your own inquiry regarding any such referrals to ensure they are qualified and meet your needs and select a different provider if you wish. We will coordinate our work, as appropriate and as requested, with any such other service provider but, absent a separate written agreement to do so, will not monitor or evaluate the work performed by the referred or any other service provider.

## **Item 15 – Custody**

BKDFO is deemed to have custody of certain client funds and/or securities due to its affiliated entity BKD and when it directly debits advisory fees. Some partners of BKD and employees of BKDFO also serve as trustees on certain client accounts managed by BKDFO. In addition, some clients have authorized standing letters of authorization for BKDFO to move money from the client's custodial account to a nonlike-titled third party. However, in accordance with Rule 206(4)-2 of the Advisers Act, all cash and securities are maintained with a "qualified custodian." Clients receive account statements directly from the custodian on a quarterly basis, and all clients are provided with a notification, in writing, of the custodian's (Schwab or Fidelity) name and contact information. In addition to the reports provided by BKDFO to all clients (as described in Item 13 – Review of Accounts above), clients will receive account statements directly from their qualified custodian at least quarterly. We urge the client to compare the account statements received from the qualified custodian to the account statements provided by BKDFO.

## **Item 16 – Investment Discretion**

For the majority of the firm's investment management accounts, BKDFO has the authority to determine, without obtaining specific client consent, the securities to be bought and sold in client accounts and the amount of such securities to be bought and/or sold. Any activity in your accounts will be made only in accordance with previously stated investment objectives and risk tolerance, as defined in your IPS. You can impose reasonable restrictions on this authority (please refer to Item 4 – Advisory Business above).

A small percentage of the firm's accounts are deemed to be nondiscretionary at the time of account opening.

BKDFO recommends certain broker-dealers, but each client must select their broker-dealer at the time of account opening. BKDFO does not determine the amount of brokerage commissions to be charged for transactions in client accounts.

## **Item 17 – Voting Client Securities, *i.e.*, Proxy Voting**

We have adopted policies and procedures to help ensure that proxies are voted in each client's best interest. We only vote proxies related to securities held by our clients who provide us with written authority to do so. This written authority is provided via the client's executed portfolio management agreement unless otherwise indicated on their custodial paperwork.

Institutional Shareholder Services (ISS), an independent third party, has been retained to act as an independent voting agent. ISS' role is to execute the proxy voting and ensure that the voting procedures are completed and documented. Final voting decisions are based on a pre-established set of policy guidelines and on the



recommendation of ISS, based on its independent, objective analysis. This process helps ensure that proxies voted are in the best interest of the. In addition, this process insulates voting decisions from conflicts of interest, to the extent possible. Should it be necessary, BKDFO can override ISS vote recommendations. The chief investment officer and president will do so, however, only if they each believe that a different vote is in the client's best interest.

ISS votes proxies for clients at the same custodian on an aggregated basis. Any questions regarding proxy voting should be addressed to the client's advisor or Chief Compliance Officer Nicole Conklin via email at [nconklin@bkd.com](mailto:nconklin@bkd.com).

## **INDEPENDENCE SECURITIES**

BKDFO is affiliated with BKD, a public accounting firm. Due to this relationship, accounting industry standards apply. Accountants must maintain their independence when rendering accounting opinions. Consequently, certain securities are classified as independence securities or unmanaged by BKDFO due to their affiliation with BKD. An independence security is considered to be a security of an issuer for whom BKD provides audit or attest work. Investment advice is not rendered and fees are not charged by BKDFO on these securities. In some circumstances, BKDWA will charge a fee on independence securities. This could include separately managed accounts or accounts that have assets held away from BKDWA and are consulting only in nature.

## **UNMANAGED SECURITIES**

Should a client's portfolio contain unmanaged or independence securities for any reason, such as when the account transfers to BKDFO's management, the portfolio manager will either promptly sell the securities and reinvest the proceeds or place them on an unmanaged list so advice is not rendered and fees are not charged on these assets. Tax implications to the client also will be taken into account before the securities are sold.

BKDFO will not provide investment advisory advice and will not charge a fee in relation to unmanaged securities. If a client seeks investment advice regarding such assets, BKDFO will recommend an alternative security to maintain BKD's independence.

## **Item 18 – Financial Information**

BKDFO does not require prepayment of advisory fees; therefore, the firm is not required to provide an audited financial statement.

## **Privacy Policy**

BKDFO values our relationship with you and considers your privacy an important part of that relationship. We are committed to protecting the security and confidentiality of your personal information, and we hold all information provided to our firm in the strictest confidence.

## **SOURCES OF INFORMATION**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you or your broker-dealer, investment advisor or financial representative through interviews, applications, agreements or other forms
- Information about your transactions with us, our affiliates or others
- Information we receive from your inquiries by mail, email or telephone

## INFORMATION COLLECTED

The type of data we collect includes your name, address, Social Security number, age, financial status, assets, income, tax information, retirement and estate plan information, transaction history, account balance, payment history, investment objectives, marital status, family relationships and other personal information.

## DISCLOSURE OF INFORMATION

We do not disclose any nonpublic personal information about our customers or former customers except as permitted by law. These permitted uses include the disclosure of such information to unaffiliated financial service providers and other companies for the following reasons:

- To provide you with products and services and to effect transactions that you request or authorize, we may disclose your personal information as described above to unaffiliated financial service providers and other companies that perform administrative or other services on our behalf, such as transfer agents, custodians and trustees, or that assist us in the distribution of investor materials such as trustees, banks, financial representatives, proxy services, solicitors and printers.
- We may share personal information with our affiliated accounting firm, BKD, for everyday business purposes and for marketing BKD's services to you. If you wish to opt out of our information sharing, please see below for important information. Please note, that clients who are clients of both BKDWA and BKD may have more information shared than would otherwise be shared with service providers outside of BKD.
- We also may release such information about you if you direct us to do so, if we are compelled by law to do so or in other legally limited circumstances, *e.g.*, to protect your account from fraud.

## CONFIDENTIALITY & SECURITY

With regard to our internal security procedures, BKDFO restricts access to your nonpublic personal information. In addition, all BKD employees and partners are subject to confidentiality agreements as a condition of employment. We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information.

## OPT OUT

As stated above, we may share information with our affiliated accounting firm, BKD, for marketing and other business purposes. Federal law provides you with the opportunity to opt out of this type of information sharing. If you would like to limit our ability to share your personal information with BKD for marketing purposes, please contact us via telephone at 417.831.7283. Your election to opt out of this type of sharing will remain in place until we are notified otherwise.

## POLICY UPDATES & INQUIRIES

We reserve the right to modify this policy at any time; however, if we do change it, we will tell you promptly. For questions about our policy, please contact us.

BKD Family Office's Chief Compliance Officer Nicole Conklin remains available to address any questions regarding this Privacy Policy. She can be contacted via email at [nconklin@bkd.com](mailto:nconklin@bkd.com).