

# **BKD** Wealth Advisors

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

April 8, 2021

***Main Office***

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This brochure provides information about the qualifications and business practices of BKD Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 417.866.5822 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 Wealth Advisors, LLC 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 Wealth Advisors, LLC 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 Wealth Advisors 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 **bkdwa.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 Wealth Advisors, LLC (BKDWA) is an investment advisory firm registered with the SEC and a wholly owned subsidiary of **BKD, LLP** (BKD), a national CPA and advisory firm. BKDWA has provided personal wealth management and financial planning services since 1998. We provide a variety of services:

- Wealth management
- Investment consulting
- Financial planning
- Benefit plan consulting

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.

### WEALTH MANAGEMENT

BKDWA wealth management services involve gathering information about your current situation and future goals and needs through personal discussions, completion of a risk tolerance survey and a review of the provided information. Using the goals and objectives determined in this process, we work with you to develop a personal Investment Policy Statement (IPS). This statement is used as the basis for developing and managing your portfolio of securities. Wealth management services are primarily guided by the goals and objectives of the IPS and determined through conversations with you.

### Discretionary Management of Accounts

BKDWA manages most advisory accounts with discretion. This allows BKDWA to determine the specific individual securities to buy or sell without obtaining prior consent. Based on your needs, portfolios are designed and managed using a mix of investments, including:

- Mutual funds
- Exchange-traded funds (ETF)
- Bonds
- Stocks
- Alternative investments

We will consider other investments by request and on a case-by-case basis. We may not implement other investments if we believe the investment is inconsistent with the stated risk tolerance or our management style.

For many clients, it will be determined that an investment portfolio consisting primarily or exclusively of mutual funds is most appropriate. In these situations, a portfolio of no-load or load-waived mutual funds will be created and client assets will be allocated among various mutual funds while taking into consideration the goals and objectives of the client and the appropriate overall management style of the funds. The mutual funds will be selected from our internally screened approved list.

## **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 BKDWA on a nondiscretionary investment advisory basis must be willing to accept that BKDWA 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, BKDWA will be unable to effect any account transactions (as it would for discretionary clients) without first obtaining your consent.

## **INVESTMENT CONSULTING**

Services offered include, but are not limited to:

- Meeting to understand the specific and individual needs to help define investment objectives and risk tolerances
- Drafting IPS
- Reviewing the current portfolio and providing suggestions for changes based on the current and future investment needs
- Assisting in the selection and retention of appropriate money managers or mutual funds
- Monitoring the performance of the selected money managers or mutual funds and reporting to the client
- Providing advice regarding the retention or dismissal of any money manager or mutual fund being used

Consulting services are limited to those assets specifically identified in the investment consulting agreement. These services will be provided until either party terminates the agreement or, if applicable, the project is completed.

## **FINANCIAL PLANNING**

We provide financial planning to clients. Financial planning services are offered on a broad scale or a la carte (limited focus) basis. Financial plans encompass all or some of the following areas of financial concern to the client:

- Estate planning and estate goals
- Retirement planning
- Education planning
- Insurance planning/risk management
- Investments

We will obtain appropriate information through personal discussion, including a discussion of current financial status, future goals and attitude toward risk. BKDWA will review related documents and data provided by you.

In performing its services, BKDWA shall not be required to verify any information received from you or from other professionals and is expressly authorized to rely thereon. Moreover, please be advised that it remains your responsibility to promptly notify BKDWA if there is ever any change in your financial situation or investing objectives for the purpose of reviewing, evaluating or revising BKDWA's previous recommendations and/or services. In some cases, a written financial plan is prepared and provided, although in many cases there is no written comprehensive document. The implementation of financial planning recommendations is entirely at your discretion. Financial plans are not limited in any way to products or services provided by any particular company, and implementation can be made with any appropriately licensed firm or individual.

## **WEALTH ACCUMULATION DIVISION**

BKDWA has a business line specifically focused on the needs of clients who are in the wealth accumulation phase. We have designed a dedicated team to understand and assist with the unique aspects of these clients and their needs. Clients who are well suited for this practice typically have \$250,000 to \$1 million in investable assets. These clients will receive the benefits of working with BKDWA and credentialed advisors. Typically, they will have one meeting per year with their advisor, and meetings will be conducted virtually, via telephone or in person.

In general, clients in this group will have discretionary portfolios. We typically do not work with clients in this group on a nondiscretionary basis. Trade restrictions will be limited or not allowed in the portfolio. Due to the size and nature of the account size, the portfolio structure will be tailored as appropriate and may not contain all investment types. Financial planning will consist of cash flow planning and generally will not include a more comprehensive review that could include review of insurance, estate plans or taxes. The minimum fee for clients in this group is outlined in Item 5 – Fees & Compensation.

Clients in Wealth Accumulation may use Schwab's Institutional Intelligent Portfolios® platform (IIP) as an automated investment program. Clients are invested in a range of investment strategies, each consisting of a portfolio of exchange-traded funds and mutual funds and a cash allocation. BKDWA is not owned by or affiliated with Schwab or IIP. Advisory fees are described below under Item 5 Fees and Compensation. Clients do not pay brokerage commissions or other fees to Schwab through IIP.

Clients eligible to enroll in IIP include individuals, IRAs, and revocable living trusts. Organizations or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible. The minimum investment required to open or convert an account in IIP is \$5,000.

## **BENEFIT PLAN CONSULTING**

BKD Benefit Plan Consulting (BPC) is a division of BKDWA. BPC provides discretionary investment management and nondiscretionary investment consulting services to qualified and nonqualified retirement plans, including but not limited to:

- Pension or other employee benefit plans (including 401(k) plans) governed by the *Employee Retirement Income Security Act of 1974* (ERISA)
- Tax-qualified retirement plans (including Keogh plans) under Section 401(a) of the Internal Revenue Code of 1986, as amended, and not covered by ERISA
- Employee stock ownership plans (ESOP)
- Defined benefit plans
- Cross-tested plans
- 403(b) tax-sheltered annuity plans

- Profit-sharing plans
- Money purchase pension plans

BPC also provides noninvestment-related services referred to as third-party administrator (TPA) services. Many plan sponsors have contractual arrangements with other third-party record-keepers.

### **Investment Consulting**

Once the plan's goals and objectives have been determined, BPC will recommend the appropriate investment strategy to the plan's trustees and/or fiduciary committee. Our investment committee conducts research to determine suitable investment vehicles in each appropriate asset class in conducting plan design services. Our investment consulting services include:

- Drafting an IPS
- Performing record-keeper and custodian searches
- Recommending investment options to the plan trustee and/or fiduciary committee
- Reporting investment performance to trustees
- Enrollment and education sessions for plan participants (specific and individualized investment advice is not provided to participants)

### **Investment Management – Discretionary**

For discretionary accounts, BPC will act as “investment manager” for purposes of ERISA and the Internal Revenue Code of 1986, as amended. Managing with discretion allows us to determine the specific securities to buy or sell without obtaining prior consent from the client. Based on specific needs, portfolios are designed and managed using a mix of securities, including:

- Mutual funds
- ETFs
- Bonds
- Stocks
- Alternative investments

### **Services to Clients Under ERISA**

We provide the following services to ERISA clients:

- Limited education and enrollment assistance. Specific and individualized investment advice is typically not provided to plan participants
- Draft, review and refine the IPS until the plan sponsor and/or trustee believes objectives and risk tolerances are adequately defined
- Assist the plan trustees in determining mutual funds or other securities to make available to the plan participants
- Meet with the plan trustees to review the performance of the mutual funds and other securities selected by the trustees. Recommendations will be made to the trustees, who then have the sole authority to determine the course of action to take on behalf of the plan

- Periodic reports will be provided as agreed upon

We do not have discretionary authority or control over the plan assets or discretionary authority or control over the administration of the plan. Advice is provided to the plan in the form of recommendations to the trustees. Our role is to serve as a consultant to the plan trustees. The consulting services provided are limited to those assets identified in the executed Investment Consulting Agreement.

## **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

## **NONINVESTMENT CONSULTING & IMPLEMENTATION SERVICES**

To the extent requested by you, we will provide consulting services regarding noninvestment-related matters, such as estate planning, insurance, etc. Neither BKDWA nor any of its representatives serve as an attorney, and no portion of our services should be construed otherwise.

To the extent requested, we will recommend the services of other professionals for certain noninvestment implementation purposes, *e.g.*, attorneys, accountants, insurance, etc. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from us. If you engage any such recommended professional and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional. Please note: It remains your responsibility to promptly notify us if there is ever any change in the financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

## **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 (IRA), or (iv) cash out the account value (which could result in adverse tax consequences depending on the client's age). If BKDWA recommends that a client roll over their retirement plan assets into an account to be managed by BKDWA, such a recommendation creates a conflict of interest if BKDWA 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 BKDWA.



**Portfolio Activity.** BKDWA has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, BKDWA 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 BKDWA 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 BKDWA will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing its services, BKDWA 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 BKDWA if there is ever any change in their financial situation or investment objectives for the purpose of reviewing/evaluating/revising BKDWA'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 registrant) will be profitable or equal any specific performance level(s).

**Disclosure Statement.** A copy of BKDWA'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 BKDWA.

## Item 5 – Fees & Compensation

### WEALTH MANAGEMENT FEES

There is no minimum dollar value to open or maintain an account; however, BKDWA imposes a minimum annual fee of \$7,500 and has the ability to negotiate fees on a client-by-client basis. Clients in Wealth Accumulation Division will be subject to a minimum of \$5,000. The exact fee charged will be stipulated within the portfolio management 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:

- 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 nonmanaged 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

<u>Total Assets Under Management</u>	<u>Fee</u>
At or below \$1,000,000	Up to 1.50%
\$1,000,001–\$2,000,000	1.00%
\$2,000,001–\$4,000,000	0.85%
\$4,000,001–\$6,000,000	0.75%
\$6,000,001–\$8,000,000	0.70%
\$8,000,001–\$10,000,000	0.65%
\$10,000,001–\$15,000,000	0.60%
\$15,000,001–\$20,000,000	0.50%
\$20,000,001–\$25,000,000	0.45%

BKDWA, 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 BKDWA 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 BKDWA to any particular client could be available from other advisors at lower fees. All clients and prospective clients should be guided accordingly. **Please note:** In the event a client is accepted with assets under management of less than \$500,000 and that client is subject to BKDWA's minimum annual fee of \$7,500, that client's effective annual fee rate will exceed the fee shown in the schedule above, not to exceed 2 percent.

Fees are calculated as follows:

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

### **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; it is your responsibility to do so.

### **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 Investnet platform or a third-party provider will be used. If a pricing issue arises where there is no readily available pricing information, BKDWA 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). We use the value of your account as of the last business day of the previous quarter (as shown in our internal portfolio management system) to determine the fees charged.

## **Investment Consulting Fees**

Fees for investment consulting services are charged on an hourly, fixed or percentage-of-assets basis (or some other 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.

### **Investment Consulting – Hourly Fees**

Hourly rates range from \$140 to \$500 per hour, based on the knowledge and experience of the individual providing the work. Hourly fees are invoiced monthly. Payment is due within 30 days of receipt of the invoice.

### **Investment Consulting – Fixed Fees**

Due to the specific nature of this service, there is no range of fixed fees to disclose. The fee is determined on a client-by-client, project-by-project basis. Fixed fees are invoiced on a quarterly basis in advance of the service provided, with payment due within 30 days of receipt of the invoice. Fixed fees are determined in advance and agreed to by the client. Services will vary by client based on the project parameters.

### **Percentage of Assets – Fees**

Annual fees are billed quarterly in advance, 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 Wealth Management Section). 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).

## **Financial Planning Fees**

Fees for financial planning services will be charged on an hourly or fixed-fee basis. Once determined, the fee arrangement is set forth in the financial planning agreement. Fees for expenses such as overnight delivery and travel, if required, can be charged separately as specified in the agreement.

### **Financial Planning – Hourly Fees**

Hourly rates range from \$140 to \$500 per hour, based on the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Hourly fees will be billed as the work is provided.

### **Financial Planning – Fixed Fees**

Fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested (beyond the project's original scope), it will be billed on an hourly basis or a fixed-price basis as negotiated and agreed upon between the client and BKDWA.

Total costs for financial plans, whether charged per hour or on a fixed basis, range from \$500 to as much as \$30,000 or more. There is no "typical" plan, as services are customized to the client's particular needs. Fixed fees will be invoiced monthly or quarterly, depending on the anticipated delivery of the plan. Other limited planning services are billed monthly.

Should a contract be terminated prior to the service being delivered, we will bill for work provided. In the case of prepayment of fees, the prorated refund will be based on the hourly rate of the individuals who provided the services.

## **Bundled Pricing**

Bundled pricing services may be offered to clients who receive services from both BKDWA and BKD. Bundled pricing is designed to provide the option of paying one fee for multiple services. For example, a client may receive wealth management services provided by BKDWA and tax services from BKD. At the discretion of BKD and BKDWA, additional accounting services such as individual tax return preparation may be included as part of the standard advisory fee. In some cases, fees for accounting services will be invoiced to the client separately by BKD.

## **BPC FEES**

BPC charges a base annual fee for administrative and compliance functions, which are outlined in agreement with the client. We do have the ability to negotiate fees on a client-by-client basis. As a result, annual fees will vary based on specific services provided and/or the nature of the client relationship.

### **BPC Fees for Investment Consulting/Management**

Our fees for investment consulting/management services are billed quarterly in advance of the service and prorated for accounts opened or closed during a calendar quarter. In general, the fee is based on the asset value of the qualified plan on which we consult, complexity, frequency of meetings, depth of security analysis and reporting, among other factors.

Our typical fee schedule is as follows:

Plan assets < \$5 million:	0.30%–1.50%
Plan assets > \$5 million:	0.20%–0.80%

Minimum account value is \$1,000,000, but BPC does have the ability to make exceptions on a client-by-client basis.

## **TERMINATION**

All advisory agreements and Investment Consulting Agreements will continue in effect until terminated by either party under terms of the agreement. Termination of the agreement will not affect the validity of any services previously provided by BKDWA or BPC. Upon termination, the client will receive a refund of any prepaid and unearned advisory fees (prorated for the balance of the quarter, if needed). If services have been provided, fees are therefore due and payable and client will receive an invoice for the amount due. Any transactional or custodial charges levied by the client's custodian after the termination of the advisory agreement are the client's responsibility and not the responsibility of BKDWA. We have no obligation to refund fees charged by the custodian.

## **ADDITIONAL COSTS**

All fees paid to BKDWA 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.

BKDWA 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 the client or the 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 the Brokerage Practices section below for more information on custodial fees.

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

BKDWA does not charge performance-based fees.

### **Item 7 – Types of Clients**

#### **WEALTH MANAGEMENT**

BKDWA generally provides wealth management to individuals (including high-net-worth individuals), charitable organizations, state or municipal government entities and corporations or business entities.

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, BKDWA imposes a minimum annual fee of \$7,500 on the client's account. **Please note:** In the event a client is accepted with assets under management of less than \$500,000, and that client is subject to BKDWA's minimum annual fee of \$7,500, that client's effective annual fee rate will exceed the fee shown in the schedule in Item 5 above, not to exceed 2 percent.

#### **BPC**

BPC generally provides investment advice to institutional clients, including 401(k) plans, pension and profit-sharing plans, banks, thrift organizations, corporations, ESOPs, defined benefit plans, 403(b) plans, endowments, foundations and corporate clients.

Minimum account value is \$1,000,000, but BPC does have the ability to make exceptions on a client-by-client basis.

#### **FINANCIAL PLANNING, INVESTMENT CONSULTING & REFERRALS TO INDEPENDENT MONEY MANAGERS**

There are no minimum account sizes for financial planning or investment consulting clients. Independent money managers can impose account minimums. This information will be disclosed in their respective Form ADVs.

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

#### **ANALYSIS**

BKDWA 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 impact investment results
- Initial valuation matters and is a critical factor in determining the future return potential of an asset class
- Substance is more important than form when selecting investments
- Minimizing 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.

BKDWA 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. BKDWA 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 BKDWA) will be profitable or equal any specific performance level(s).

The majority of BKDWA's investment strategies will be executed with the use of publicly traded, managed vehicles such as open-ended mutual funds, ETFs 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**

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

## **Item 10 – Other Financial Industry Activities & Affiliations**

### **ACCOUNTING FIRM**

All individuals employed with BKDWA are considered dually employed by BKD, a certified public accounting firm and BKDWA'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. 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. BKDWA'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 BKDWA. BKDWA'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 BKDWA'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. BKDWA has established rules of conduct for all employees and partners that are designed to, among other things, govern personal securities trading activities in employee accounts. The Code of Ethics (Code) is based on the principle that BKDWA and its employees owe a fiduciary duty to BKDWA's 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 BKDWA continues to maintain and apply its high ethical standards. The Code's purpose 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 BKDWA and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. BKDWA has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

BKDWA 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 BKDWA'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 a custodian from the following options to participate in our programs: Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab); National Financial Services, LLC; or Fidelity Brokerage Services, LLC (together with all affiliates, "Fidelity"). These firms are members of FINRA and the Securities Investor Protection Corporation (SIPC) and are registered broker-dealers. These firms maintain custody of clients' assets and effect trades in their accounts. BKDWA is not affiliated with these entities.

In recommending these custodians/brokers, we have evaluated each 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 more details.

Schwab provides BKDWA with access to its institutional trading and custody services, which typically are not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them as long as a total of \$10 million of the advisors' clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We participate in back-office support programs sponsored by Schwab and Fidelity. These programs 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.

Ultimately it is the client's decision whether or not to custody assets with Schwab or Fidelity; however, we generally do not accept clients who direct us to use other custodians. Under limited circumstances, BKDWA 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, each 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.

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



Even though we recommend specific custodians, the client should evaluate each firm to ensure the custodian selected will provide the best blend of service and cost for the client. For clients' accounts maintained in its custody, Schwab or Fidelity does not charge separately for custody but charges account holders commission or other transaction fees. The commission and transaction fees charged by Schwab or 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**

Schwab and Fidelity have dedicated platforms for investment advisors. This is a key reason we selected these firms. These platforms provide us and our clients with benefits we might not receive from other firms, in terms of pricing and services. These firms also make available services intended to help BKDWA 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 BKDWA by independent third parties.

Through the programs in place with Schwab and 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 their 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. To qualify, the client must maintain a minimum portfolio value of \$150,000 as required by the client's custodian, complete and sign the appropriate custodial paperwork and maintain an allocation to fixed income on the client's IPS. 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 benefit from the error, even if the correction results in a profit.

### **ADDITIONAL COMPENSATION**

In no case will BKDWA receive or participate in economic benefits resulting from a client using a recommended insurance company, agency or broker.

## **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 Schwab and Fidelity (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (or at a discount) support services and/or products, some of which assist BKDWA to better monitor and service client accounts maintained at such institutions. Included within the support services obtained by BKDWA 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 BKDWA to further its investment advisory business operations.

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

Clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity as a result of this arrangement. There is no corresponding commitment made by BKDWA to Schwab and/or 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 conflicts of interest.

BKDWA places trades for its client accounts subject to its duty of best execution and other fiduciary duties; however, BKDWA's recommendation that clients maintain their assets at Schwab or 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. Further, Schwab provides various products, services and other benefits to BKDWA at no cost or a reduced cost based on BKDWA's commitment that BKDWA's clients will place or maintain a specified dollar amount of assets in accounts with Schwab within a specified period of time. Specifically, BKDWA has entered into an agreement with Schwab for the provision of certain benefits to the firm, which could include credit toward marketing, technology, technology consulting, compliance consulting and business consulting services provided by Schwab.

BKDWA may be influenced by this commitment in recommending that clients establish custodial accounts at Schwab.

## **BLOCK TRADING& 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 and by portfolio manager. We do not aggregate block trades across accounts at all offices at the same time.

## **Item 13 – Review of Accounts**

### **WEALTH 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.

### **BPC**

Each plan is reviewed by our benefit plan consultants and/or portfolio managers on an ongoing basis. Although various reports can be provided to clients at any time, formal performance reviews are completed by the benefit plan consultants and/or portfolio managers on a periodic basis as agreed upon with each client. It is our policy to encourage our clients to meet with their benefit plan consultant at least annually.

Reviews also may be triggered by special client request, a change in a client's financial situation or investment objectives or significant world, economic or market events.

### **INVESTMENT CONSULTING SERVICES**

Reviews vary depending on the client's request and ongoing services agreed to between the client and BKDWA.

### **FINANCIAL PLANNING SERVICES**

Financial plans are not typically reviewed after the plan is delivered (for written plans) or after the service is performed (for consulting on a plan). Exceptions to this include clients with an annual service contract for which an annual update is purchased or if the client requests a periodic review.

### **REPORTS**

#### **Wealth Management**

Wealth management clients are provided a report on a quarterly basis. This report provides information that could include 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 inception of the account. All reports are in addition to account statements and transaction confirmations received from the client's custodian.

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

Regular reports are not provided to financial planning clients unless a plan update or additional service is requested. Regular reports are not provided to investment consulting clients unless outlined in the client agreement.

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

As referenced in Item 12 above, BKDWA receives economic benefits from Schwab and Fidelity.

BKDWA 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.

### **SCHWAB REFERRAL PROGRAM**

In the past, we have received client referrals from Schwab through our participation in the Schwab Advisor Network program (Service), a service designed by Schwab to refer brokerage customers and other investors to independent investment advisors that do business with Schwab Institutional and provide investment management and/or financial planning services. Under this service, Schwab acted as a solicitor for advisors pursuant to Rule 206(4)-3 of the Advisers Act. Although we no longer participate in the Service, we continue to pay participation fees to Schwab for assets we received as referrals through the Service.

## **Item 15 – Custody**

BKDWA 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. In limited cases, some of the partners of BKD and employees of BKDWA also serve as trustees on certain client accounts managed by BKDWA. In addition, some clients have authorized standing letters of authorization for BKDWA to move money from the clients' custodial accounts 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 BKDWA 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 BKDWA.

## **Item 16 – Investment Discretion**

For the majority of the firm's investment management accounts, BKDWA 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.

BKDWA recommends certain broker-dealers, but each client must select their broker-dealer at the time of account opening. BKDWA 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 clients. In addition, this process insulates voting decisions from conflicts of interest, to the extent possible. Should it be necessary, BKDWA 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 clients' 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**

BKDWA is affiliated with 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 BKDWA 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 BKDWA 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 BKDWA'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 will be taken into account before the securities are sold. BKDWA 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, BKDWA will recommend an alternative security to maintain BKD's independence.

## **Item 18 – Financial Information**

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

### **Privacy Policy**

BKD Wealth Advisors, LLC 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**

In accordance with applicable regulations, BKDWA takes steps to protect the confidentiality and security of your nonpublic personal information. With regard to our internal security procedures, we restrict access to your nonpublic personal information. In addition, all BKD employees and partners are subject to confidentiality agreements as a condition of employment. We also 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, 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 Wealth Advisors, LLC'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).