

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



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571-427-2903

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**This brochure provides information about the qualifications and business practices of BlueList Partners, LLC (CRD#304568). If you have any questions about the contents of this brochure, please contact us at (571) 427-2903 and/or [glenn@bluelistpartners.com](mailto:glenn@bluelistpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. BlueList Partners, LLC is a registered investment adviser. Registration does not imply any certain level of skill or training.**

**Additional information about BlueList Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:        Statement of Material Changes**

BlueList Partners, LLC is required to disclose any material changes to this ADV Part 2A here in Item 2. There have been no material changes since the last ADV amendment in March of 2020.

**Item 3: Table of Contents**

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## INFORMATIONAL BROCHURE

### BLUELIST PARTNERS, LLC

#### **Item 4: Advisory Business**

BlueList Partners, LLC (“BlueList”) is an investment advisor to high net worth individual, business, non-profit, and institutional clients. It is a “fee-only” advisory firm and has been registered with the Securities and Exchange Commission since 2019. The firm is owned in its entirety by Glenn Ryhanych.

##### Investment Advisory Services

Asset management services are almost always provided on a “discretionary” basis. When BlueList is engaged to provide asset management services on a discretionary basis, we will monitor your accounts and make changes as needed in keeping with the intended strategy. These changes may involve selling a security or group of securities and buying others or keeping the proceeds in cash. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive statements at least quarterly from your account custodian. Clients engaging us on a discretionary basis will be asked to execute an Investment Management Agreement that outlines the responsibilities of both the client and BlueList.

As an accommodation only, and not on a regular basis, BlueList may provide asset management services on a “non-discretionary” basis. When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

At the onset of the client relationship, BlueList interviews the client and establishes investment objectives, risk tolerance, investment time horizon, income/distribution needs, and any other constraints that may play a role in the client’s investment parameters to determine an asset allocation appropriate to meet the client’s needs. If needed, BlueList prepares a transition plan from the client’s current account to the account to be managed by BlueList.

It is important to remember that, because market conditions can vary greatly, investment guidelines are not necessarily strict rules. Rather, BlueList reviews each account individually and may deviate from the guidelines as it deems advisable. Each client account is separately managed and invested according to the client’s investment objectives.

There are two essential BlueList investment strategies: Direct investment and active management of tax exempt and taxable municipal bond portfolios, and a passive investment allocation strategy covering most tradeable asset classes. Because these strategies are designed to be run as single investment strategies, clients are not permitted to make significant restrictions to the management of their assets with BlueList.

BlueList does not participate in or offer or sponsor a wrap program.

## Assets Under Management

As of December 31, 2020, BlueList managed \$106,080,322 in client assets all on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Fees Charged**

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All investment management clients will be required to execute an Investment Management Agreement which describes both fees and services provided.

The fee range stated below is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Lower fees for comparable services may be available from other sources. Factors affecting fee percentages include the size of the account, complexity of asset structures, length of time the client has been with the firm, and other factors. This annual fee will generally be based on the calculation shown below, but may be higher or lower than shown.

##### Municipal Opportunity and Taxable Municipal Portfolios:

Generally, management fees for accounts in the Municipal Opportunity and Taxable Municipal Portfolios are 0.50% per annum of the market value of a client's assets in the account.

##### Municipal Quality Intermediate Portfolio:

Generally, management fees for accounts in the Municipal Quality Intermediate Portfolio are \$5,000 per annum plus 0.1% of the market value of a client's assets in the account.

##### Asset Allocation Strategy:

Generally, management fees for account in the Asset Allocation Strategy are \$5,000 per annum plus 0.20% (20 basis points) of the total value of managed investments up to \$5 million, 0.15% (15 basis points) on assets between \$5 million and \$10 million, and 0.10% (10 basis points) on assets exceeding \$10 million. For example, on a \$4 million portfolio we will debit your account \$13,000 per year for management fees [\$5,000 flat fee + \$8,000 (\$4MM x 0.20%)].

#### **B. Fee Payment**

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Investment advisory fees will generally be debited directly from each client's account. As of the date of this brochure, the advisory fee is paid quarterly, in advance and the value used for the fee calculation is the net asset value as of the last market day of the previous calendar quarter. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divide by 4 to calculate our fee. Additionally, assets allocated to cash or a cash proxy, such as a money market account, will be included in the calculation of assets under management. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to BlueList. To the extent that a client does not have enough cash in their accounts to cover the advisory fees, BlueList reserves the right to liquidate a portion of your portfolio to satisfy the remaining fee balance. In doing so, BlueList will consider all relevant factors,

and depending on the arrangement, may not consult with the client prior to selling positions. Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian recommended by BlueList. The client will also receive a statement from their account custodian, at least monthly, showing all transactions in their account, including the fee.

### **C. Other Fees**

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There are a number of other possible fees that can be associated with holding and investing in securities. Clients will be responsible for transaction fees for the purchase or sale of stocks, bonds, mutual funds or, exchange traded funds. For complete discussion of expenses related to each mutual fund, investors should obtain and read a copy of the prospectus issued by that fund. BlueList can direct investors to the offering material or prospectus for any manager or fund that is used in our strategies.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

### **D. Pro-rata Fees**

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You may terminate the Agreement by providing 30-days written notice to BlueList. If you terminate our relationship during a quarter, you will be entitled to a refund of any pre-paid and unearned management fees for the remainder of the quarter. Once your notice of termination is received, we will refund the unearned fees to you through a credit to your account held at the qualified custodian. BlueList will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to BlueList and will become a retail account with the custodian.

### **E. Compensation for the Sale of Securities**

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BlueList does not receive any commissions or fees from investment product providers or custodians. Its sole source of income is from fees paid by clients.

## **Item 6: Performance Based Fees**

To avoid conflict of interests, fees will not be based upon a share of capital gains or capital appreciation of your accounts (otherwise known as “performance based fees”).

## **Item 7: Types of Clients**

Our clients include individuals, families, corporate executives, business owners, medical professionals, retirees, qualified retirement plans, associations and charitable organizations. Generally, BlueList requires a minimum account size of \$1,000,000 for client assets invested in the municipal bond strategies. There is no minimum account size for the asset allocation strategy.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

### **Portfolio Construction**

Each client's portfolio will be invested according to that client's directives as outlined in their Investment Policy Statement. Clients choose from one of BlueList's strategies:

**Opportunity Portfolio:** A diversified portfolio of federally tax-exempt municipal bonds. In most cases, the bonds purchased will mature in fifteen years or less, with longer term issues permitted but only on a selective basis. The portfolio will normally consist of at least 70% investment grade issues.

**Quality Intermediate Portfolio:** A diversified portfolio of federally tax-exempt municipal bonds. In most cases, the bonds purchased will mature in ten years or less. At the time of purchase all bonds will have an investment grade rating.

**Taxable Municipal Portfolio:** A diversified portfolio of taxable municipal bonds. In most cases, the bonds purchased will mature in fifteen years or less, with longer term issues permitted but only on a selective basis. The portfolio will normally consist of at least 70% investment grade issues.

**Asset Allocation Strategy:** A passively managed, diversified portfolio of publicly traded securities or funds, representing a broad range of asset classes.

Because of the specific investment strategies BlueList offers, many of our clients come to us for only a portion of their asset management needs. BlueList's strategies may take a specific place in a client's overall portfolio which means, some clients' investment objectives for the assets BlueList manages will differ from their overall investment objectives. Whatever the objectives are, we determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. In some cases, clients have a separate financial advisor advising them on their asset allocation to BlueList.

### **Analysis**

#### *Municipal Bonds*

BlueList has specific expertise in the origination, diligence, and monitoring of investments in municipal bonds. Municipal bonds are bonds issued by state and local governments or government agencies. Such bonds include port authorities and transportation authorities, as well as many other issuers borrowing funds to provide essential services to a user population

The bonds purchased by BlueList finance projects that our personnel have evaluated for creditworthiness and safety. This evaluation follows BlueList's own research methods and diligence process. Principal and interest on municipal bonds which are purchased for clients may be paid from specific project revenues or an issuer's general tax receipts as part of a general obligation bond pledge.

Bonds issued by state or local authorities are not guaranteed as to their payment of interest. Many of these bonds are not rated by a recognizable ratings agency, such as Moody's or Standard and Poor's Corp. The lack of a rating causes some investment professionals to label these bonds as "high yield." Some investment professionals assign such bonds a higher level of risk due to the lack of a rating, or the size of the particular bond offering, or the size of the state or local government agency issuing

the bonds. However, BlueList believes that these assertions are as a rule, inaccurate. Rather than create a single value judgment to an entire investment option, BlueList believes that each bond offering has its own merits and risks, and should be judged individually. Some of the municipal bonds in client portfolios may have a higher rate of interest payments and higher risk of loss than other bonds in the same client's portfolio, yet both may be issued by state or local agencies, and be of similar size.

What this means is that the sourcing of these bond offerings, the diligence associated with the issuance of bonds, and the determination of how much of a given bond offering should be in a given client's portfolio requires a highly specialized degree of attention to both the bond offering and client objectives. BlueList performs its proprietary due diligence on every transaction, including investigation of every borrower and project in connection with any decision to purchase municipal securities.

### *Asset Allocation Strategy*

BlueList also manages client assets according to an investment asset allocation strategy. Per this strategy, BlueList may invest in Exchange Traded Funds, Closed End Funds, and Mutual Funds. We may also invest in individual municipal bonds if we find them to be suitable for the client's portfolio. Investment decisions are made after considering numerous financial and economic measurements and statistics across most of the major investable asset classes. Client assets are managed according to one of BlueList's three asset allocation portfolio models. The portfolio model chosen for the client is based on the client's assessed risk tolerance and consideration of the client's overall investment objectives.

We research securities on a fundamental basis, which means that we review what we believe the value of the security is, and what we think it will be in the future. We base our conclusions on predominantly publicly available research, such as corporate filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also occasionally utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

### **Risks**

There are always risks to investing. It is impossible to name all possible types of risks. Among the risks are the following:

- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Interest Rate Risk.** The chance that bond prices will decline because of rising interest rates. Longer term bonds are more susceptible to interest rate risk than shorter term bonds.
- **Call Risk.** The chance that during periods of falling interest rates issuers of callable bonds may call (redeem) securities with higher coupon rates or interest rates before their maturity dates. This forces the reinvestment of the unanticipated proceeds at a potentially lower interest rate.



- **Political Risks.** Most investments have a global component, even domestic stocks and municipal bonds. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given bond or common stock. Certain sectors are more susceptible to government regulation. Changes in zoning, tax structure or laws may impact the value of an investment.
- **Tax Risks Related to Short Term Trading.** Clients should note that while not a major component of BlueList's strategy, BlueList may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. The bonds held in BlueList's strategies each carry a CUSIP identifier and can be purchased and sold by broker-dealers or custodians. However, because of the niche nature of the bonds, the timing of a sale to liquidate a portfolio may affect the sale price.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Concentration Risk.** While BlueList selects individual bonds for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's bond portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's bond portfolio may be affected negatively, including significant losses.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a public or private borrower to service their debt. For corporate and municipal issues, ratings provided by several rating services help to identify those borrowers with more risk. For state or local issues, ratings may not be available, which means the evaluation of the risks of a particular issue rest with client's adviser.

**Risks specific to tax exempt bonds:**

- **Limited or No Marketability.** Many of the bonds in client portfolios will have limited liquidity, meaning that it is unlikely that a client would be able to sell the bonds in their portfolio to a third party. Sales to third parties that do occur may be consummated with a sales price significantly

below the value of the security as noted on the client's statement. Clients with tax exempt bonds in their portfolios should only invest in these securities if they have no need for the principal value of the bonds in the near term, and can bear the risk of total loss.

- **No Guaranty.** Clients investing in tax exempt bonds issued by state or local agencies should be prepared to bear a total risk of loss. State and local agencies, while historically typically able to make bond payments and eventually either refinance the bond issue or pay the principal on the bond issue, may not be able to do so for any bond issue in a client's portfolio.

- **Reliance on Diligence.** Due to the esoteric nature of tax-exempt bonds issued by state or local agencies, the diligence on the bond issue is of paramount importance. For issues where BlueList performs diligence, the client is relying on BlueList's experience and judgment, which may be flawed.

- **Reliance on Key Persons.** In its role as diligence provider for bond issues on behalf of its clients, BlueList plays a role in monitoring client assets beyond that of a typical adviser monitoring a portfolio of equities or mutual funds, because while there are a multitude of advisers with sufficient expertise to monitor and continue the diligence process on equities and mutual funds, there is not a surplus of advisers with the specialized expertise in sourcing, monitoring and performing diligence on the bonds in each client's portfolio. There are a limited number of professionals at BlueList, which means the important tasks of diligence and monitoring investments rests with a few individuals.

- **Borrower Risk.** The borrower in a tax-exempt bond transaction may be a state or local agency. These agencies are subject to various politically related risks and budget risks, which may affect the borrower's ability to pay the interest or principal on a bond. BlueList attempts to mitigate these risks through its diligence process, but some risks are not knowable at the time a transaction is closed.

## **Item 9: Disciplinary Information**

There are no disciplinary items to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Broker-dealer**

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Please refer to Item 12 which discusses BlueList's relationship with Schwab.

### **B. Futures Commission Merchant/Commodity Trading Advisor**

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Neither the principals nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

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BlueList does not have any relationships with related persons which would have a material impact on a client's advisory relationship with BlueList.

## **D. Recommendations of Other Advisers**

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BlueList manages each client account and does not engage any third-party managers or sub-advisors.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. BlueList does not recommend to clients that they invest in any security in which BlueList or any principal thereof has any material financial interest.

C. On occasion, an employee of BlueList may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client, all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of BlueList may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client, all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

### **Item 12: Brokerage Practices**

#### **A. Recommendation of Broker-Dealer**

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Due to the structure of its trading platform BlueList requires that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. BlueList is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when BlueList instructs them to, which BlueList does in accordance with its agreement with you. While BlueList requires that you use Schwab as custodian/broker, you will open your account with Schwab by entering into an account agreement directly with them. BlueList does not open the account for you, although BlueList may assist you in doing so.

#### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their

services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BlueList as part of our evaluation of these broker-dealers.

### **Your brokerage and custody costs**

Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. We have determined that having Schwab execute trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

### **Products and services available to us from Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like BlueList. They provide BlueList and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help BlueList manage or administer our clients’ accounts, while others help BlueList manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to BlueList. Following is a more detailed description of Schwab’s support services:

#### *Services that benefit you*

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### *Services that may not directly benefit you.*

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

#### *Services that generally benefit only us.*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to BlueList as part of our evaluation of these broker-dealers.

#### **B. Aggregating Trades**

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Commission costs can sometimes be reduced by trading multiple accounts at the same time. This is called aggregating trades. Instead of placing multiple individual trades for the same security for multiple accounts, BlueList executes (when advantageous) one trade for all of the accounts in which it wishes to trade and then allocates portions of the trade to each account after execution. If an aggregate trade is not fully executed, the securities are allocated to client accounts on a pro rata basis, except where doing so would create an unintended adverse consequence.

#### **Item 13: Review of Accounts**

All accounts are managed on a continuous basis, and each account is reviewed at least quarterly. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts. The quarterly review conducted by BlueList is intended to review asset allocation, investment plan, and performance. All clients will receive statements and confirmations of trades directly from their broker-dealer/custodian. Please refer to Item 15 regarding Custody.

Client's will receive written portfolio appraisals reports on a semi-annual basis which detail the client's asset allocation, investment policy and portfolio performance. The report may be delivered in hard copy or offered electronically.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

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*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

### **B. Compensation to Non-Advisory Personnel for Client Referrals.**

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BlueList accepts and appreciates client referrals from any source, but BlueList does not currently compensate any persons for client referrals or have any solicitor relationships. If a client is introduced to BlueList by either an unaffiliated or an affiliated solicitor, BlueList *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from BlueList's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to BlueList by an unaffiliated third party, that third party will disclose to the client the referral arrangement with BlueList, including the compensation for the referral, and provide the client a copy of BlueList's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between BlueList and the referral source, including the fact that referral fees will be paid.

## **Item 15: Custody**

BlueList assumes custody of client funds in two ways: directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs BlueList to make distributions out of the client's account(s) over time.

Clients provide written authorization to debit advisory fees from their account held by a qualified custodian. Each quarter, clients receive a statement from the custodian detailing the fees to be debited, including the formula used to calculate the fee, the value of assets on which the fee is based, and the time period covered by the fee. Advisory fees are not independently calculated or verified by the custodian. The client also receives a statement from the account custodian showing all transactions in the account, including the fee debited.

BlueList encourages clients to carefully review the statements and confirmations sent to them by their custodian and to compare the information on the semi-annual report prepared by BlueList to the information in the statements provided directly from Schwab. Clients should alert BlueList of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs are required to confirm in writing that the account to which funds are distributed belongs to parties unrelated to BlueList.

**Item 16: Investment Discretion**

When BlueList is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we can make the changes without your prior confirmation. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Engagement Agreement that outlines the responsibilities of both the client and BlueList.

Please see Item 4 herein for more information regarding discretionary management services.

**Item 17: Voting Client Securities**

At times, shareholders of stocks, mutual funds, exchange traded funds, or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, and board elections. Clients are required to vote proxies related to their investments or to choose not to vote their proxies. BlueList does not accept authority to vote client securities. Clients receive their proxies directly from the custodian for the client account. BlueList does not give clients advice on how to vote proxies.

**Item 18: Financial Information**

BlueList does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

There have been no bankruptcy proceedings involving BlueList during the last ten years.