

# DISCLOSURE BROCHURE



**SUREVEST**  
PRIVATE WEALTH

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This brochure provides information about the qualifications and business practices of Surevest, LLC *dba* Surevest Private Wealth. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 310-492-7330. 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. Additional information about Surevest Private Wealth (CRD#306872) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**FEBRUARY 2021**

## Item 2: Material Changes

Surevest, LLC *dba* Surevest Private Wealth is required to make clients aware of information that has changed since the last annual update to the Firm Brochure ("Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since our last annual amendment filing on January 22, 2019, we have the following changes to discuss:

- Our firm has changed its doing business as (dba) name, moving forward we will use the dba: Surevest Private Wealth.
- Our firm no longer offers Dividend Grower Portfolio or the Concentrated Growth Portfolio on a Wrap basis. Our firm now offers these services on a non-wrap basis. Please refer to Items 4 and 5 in our firm's Form ADV Part 2A.
- Our firm offers Sub Advisory and Separately Managed Account Services to unaffiliated third-party registered investment advisors. Please see items 4 and 5 for more information.
- Our firm has opened a new office which will serve as our main office location. Our new address is 1880 Century Park East Suite 1020 Los Angeles, CA 90067.
- Our firm has established a business relationship with Schwab Advisor Services division of Charles Schwab & Co., Inc. an unaffiliated custodian. For more information, please refer to Items 12 & 14 of our firm's Form ADV Part 2A and Item 9 of our firm's Form ADV Part 2A Wrap Fee Program Brochure for more information.
- We are no longer conducting business out of our San Diego office location, 11622 El Camino Real Suite 100, San Diego, CA 92130, our Long Beach office location, 216 The Promenade North, Suite 206, Long Beach, CA 90802, and our Los Vegas office location, 9505 Hillwood Dr., #100, Las Vegas, NV 89134.
- New telephone number for Century City, CA location: 310-492-7330.
- Our firm now offers Financial Planning Services. Please refer to Item 4 and Item 5 for additional information.

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## Item 4: Advisory Business

### Firm Description

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Surevest, LLC *dba* Surevest Private Wealth (“Surevest” or the “Firm”) began conducting business in January 2020. The Firm is an investment management firm and traces its roots to 2002 when its predecessor firm, Surevest, Inc., registered as an investment adviser. Surevest is a Delaware legal entity with offices in Los Angeles, CA, and Phoenix, AZ. Surevest provides customized investment management services to individuals, high net worth clients, charitable organizations, and pension plans. Surevest, LLC. is owned by CI Financial Corp. and Robert Luna through his company Luna Capital Partners, Inc., who also serves as the Firm’s Chief Executive Officer, Chief Investment Officer, and Chief Compliance Officer.

Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, business strategy and legacy planning.

### Types of Advisory Services

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#### Wrap Asset Management:

Refer to Item 4 of the Wrap Fee Brochure for additional information regarding the two Wrap Asset Management Agreement options:

#### Comprehensive Asset Management:

Surevest offers clients a Comprehensive Asset Management solution that encompasses not only the traditional asset classes of fixed income, domestic equities and foreign securities, but can also include alternative asset classes. Through use of an asset allocation approach, Surevest provides asset management services and financial planning and consulting services in order to assist clients in meeting their financial goals through the use of a financial plan or consultation. Surevest conducts meetings with the client to gain thorough understanding of each client’s investment objectives. The Firm employs a defined process for each step in the investment management cycle including goal setting and risk/return profiling, asset allocation modeling, investment selection and implementation, and ongoing monitoring and reporting. This begins through gathering information vis-à-vis a new Investment Policy Statement, Risk tolerance questionnaire or other similar documentation process to understand the client’s objectives. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, ETFs, options, treasuries, mutual funds, commodities, real estate investment trusts (“REITS”), and other public and private securities or investments. Surevest may on a limited basis offer advice on interests in other partnerships such as energy, Hedge Funds, Private Equity, Real Estate, debt, or other alternative investments for accredited investors. Once the appropriate portfolio and has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service. This approach helps to provide a robust engineered process to provide long-term investment solutions.

For some high-net-worth clients who desire more complex investing strategies, Surevest offers custom managed account strategies (CMA). For those clients who utilize our CMA portfolio management services, Surevest provides individual stocks, bonds, ETFs, options, treasuries, mutual funds, commodities, real estate investment trusts ("REITS"), and other public and private securities or investment selections to meet the detailed investment objectives set forth by these affluent clients. Throughout the process, the Firm performs security selection based upon research of the underlying companies, communications with research analysts, real-time market data, ongoing analytics and earnings reviews, and in-depth analysis of company fundamentals. Once that evaluation is complete, the security may be added to the client's CMA or tagged for inclusion in one of the Firm's strategic portfolios.

### **Asset Management:**

Our firm has developed two standalone investment strategies: Dividend Growers and Concentrated Growth Portfolio. Clients should be aware that these portfolios are not diversified and designed to be aggressive. Thus, they carry a certain risk above and beyond that of normal Asset Management. Our two investment strategies create a portfolio, consisting of a select number of individual stocks focused on growth. These strategies draw from small, mid, and large cap stocks traded within major stock exchanges. The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Portfolios will be designed to meet a particular investment goal, determined to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives.

#### **Dividend Grower Portfolio**

The client is a sophisticated high-net worth investor looking to invest in a concentrated portfolio of 25-35 stocks that have demonstrated a track record of a consistent dividend policy over a minimum of the last 10 years. The primary objective of the portfolio is to outperform the S&P® 500 High Dividend Index (USD). The secondary objective is to target a yield greater than 50 basis points above the S&P 500 Index. The client understands that the level of volatility and risk associated with this portfolio may be greater than our benchmark due to the limited number of positions mandated. Our goal is to accomplish the primary objective over each three-year rolling period after fees and the secondary objective on an annual basis. This portfolio is not intended as a stand-alone diversified portfolio.

#### **Concentrated Growth Portfolio**

The client is a sophisticated high-net worth investor looking to invest in a concentrated equity portfolio of no more than 20 stocks with a starting position limit of 15% in any one company. The portfolio is long only and may include small, mid and large cap stocks both international and domestic. The Concentrated Growth Portfolio's primary objective is a 10%+ annualized growth over a three-year rolling period and a secondary objective to exceed the returns of the MSCI ACWI Total Return Index (USD) over a three-year rolling period after fees. The client understands that the level of volatility and risk associated with this portfolio may be greater than our benchmark due to the limited number of positions mandated. This portfolio is not intended as a stand-alone diversified portfolio.

### **American Funds Mutual Fund Management Program**

Our firm may recommend a mutual fund only investment allocation offered through American Funds consisting entirely of American Funds F-2 funds. Such accounts will be held direct at American Funds and custodies with their affiliated custodian, Capital Bank and Trust. As part of this service, our firm conducts at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, using American Funds ("AF"). The AF Funds are a family of no-load mutual funds. Investment strategies utilizing AF are limited to mutual funds offered through the AF family of funds. We will not evaluate any type of security other than mutual funds offered by AF. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

### **Retirement Plan Services:**

Surevest provides service to tax-qualified retirement plans, including 401(k) plans, 403(b) plans, pension and profit sharing plans and cash balance plans. Surevest shall act as a fiduciary within the meanings of Sections 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), in which capacity it will have serve as a "co – fiduciary" along with the plan sponsor, providing guidance and counsel. In this capacity, Surevest is responsible for the recommendation of investments to the plan sponsor, the monitoring of the recommended investments, suggestions related to the replacement of investments, participant education and advising the plan sponsor in following a fiduciary process including the investment policy statement.

### **Level 1 & Level 2 Financial Planning and Consulting Services:**

Surevest may provide a broad range of standalone financial planning and/or consultation services to clients for the management of financial resources based on an analysis of current situation, goals, and objectives. Financial planning services will typically involve preparing a financial plan, ongoing consulting or rendering a financial consultation for clients based on the client's financial goals and objectives.

**\*See below for planning descriptions. This is not an exhaustive list rather a broad overview of the services provided. Clients will enter into a separate planning agreement for either one- or two-level services when a separate fee is charged.**

### **Level 1 Planning**

#### **Sample Engagement Roadmap**

- Begin with 1 one-hour discovery meeting
- 2 or 3 subsequent meetings to:
  - review your initial plan and our investment recommendation
  - finalize your plan, understand your tax situation and implement our investment recommendation
- Annual meetings unless planning items arise, then we will schedule additional meetings within business hours
- Level 1 Planning may involve:

- Cash Flow Planning
- Investment Management
- Tax Planning
- Retirement Planning
- Estate Planning
- Insurance Analysis

## **Level 2 Planning**

### **Sample Engagement Roadmap**

- Begin with 3 or 4 one-hour discovery meetings to:
  - Understand your family tree, family dynamics and your vision for your family's wealth and legacy
  - Understand your liquidity sources and spending behaviors
  - Create Investment Policy Statement and communicate our investment recommendations
  - Introduce us to existing subject matter experts or introduction to our internal members our network sources. (legal, tax, etc.)
  - Build highest level of trust for Surevest to make decisions as an extension of your family
- Quarterly meetings to review KPIs, re-evaluate priorities and determine upcoming projects
- Your team can be assembled for meetings on short notice with flexible hours.
- Level 2 Planning may involve:
  - Document Family Values, Vision and Mission
  - Cash Flow Planning
  - Cash Management and Banking Services
  - Investment Management
  - Family Business Interests
  - Tax Planning
  - Philanthropic Planning
  - Retirement Planning
  - Estate Planning
  - Insurance Analysis
  - Risk Mitigation and Management

### **Institutional Consulting:**

Surevest provides Institutional Consulting to institutional clients including corporations, pensions, endowments, Investment Advisor Representatives, and ultra-high net worth individuals. Institutional consulting will typically involve rendering a consultation for clients based on the client's goals and objectives. This consultation encompasses areas such as:

- Investment Adviser Due Diligence
- Investment Due Diligence
- Portfolio Analysis

- Investment Committee Consulting
- Investment Lineup Recommendations
- Plan Design & Review
- Secondary Portfolio Performance Reporting and Analysis
- Fee Negotiations & Due Diligence
- Fiduciary Education
- Investment Policy Statement Design, Implementation & Review
- Full-Service Consulting and Outsourced CIO services to Start-Up and Existing Registered Investment Adviser Firms

### **SV Private Family CFO Service & SV Multi Family Office**

Refer to Item 4 of the Wrap Fee Brochure for additional information.

### **Third Party Money Manager Services:**

Surevest offer its services as a third-party money manager for the management of client accounts of other institutional advisors ("IA") in a dual contract relationship. All IA's are independent of and unaffiliated with our firm. These services primarily consist of portfolio management for assets of the clients of the IAs and are not considered investment supervisory services. Surevest will have exclusive authority to direct and manage the investment and reinvestment of all client assets on a fully discretionary basis, based upon client information and investment objectives as provided by the IAs. Such discretionary authority shall include, without limitation, the right to purchase, sell, exchange and engage in other transactions with respect to all client assets under management. We will not have authority to select a custodian or negotiate commissions. These clients do not have access to the same level of personal service as clients who invest directly with Surevest.

Further description of the programs, fees and services available will be provided to clients upon receipt and review of the IA's disclosure brochures, investment management agreements, and account opening documents provided by the IA. Clients will sign an advisory agreement with the IA and a discretionary portfolio management agreement with Surevest.

### **Client Tailored Services and Client Imposed Restrictions**

Our firm offers individualized investment advice to any of our asset management clients. General investment advice will be offered to our Financial Planning and Consulting, Retirement Plan, Third Party Money Manager, Model Management/Sub-Adviser Services clients.

Each Comprehensive Asset Management client has the opportunity to place reasonable restrictions on the types of securities, sectors and/or industries they do not want to be included in their portfolio. Such restrictions must be communicated to the Firm in advance and documented in writing. Once this restriction is gathered, it is the client's responsibility to inform Surevest in writing of any changes to these restrictions or to their overall investment objectives. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Surevest reserves the right to not accept and/or terminate any client's account if it feels that the client-imposed restrictions would limit or prevent it from meeting and/or maintaining its objectives.



Surevest will not assume any responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying Surevest in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies the Firm of changes in the client's financial circumstances, Surevest will review such changes and recommend any necessary revisions to the client's portfolio. Surevest representatives will generally meet or have a conference call with all clients annually to review the client's investment goals and current advisory portfolios. Advisory representatives are also available during normal business hours to consult with clients. A client may schedule a meeting with an advisor representative at any time.

### **Wrap Fee Programs**

Our firm offers and sponsors a wrap fee program, as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Our firm does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. All accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

### **Client Assets Under Management**

As of December 31, 2020, the following represents the approximate amount of client assets under management by Surevest on a discretionary and non-discretionary basis:

| Type of Account   | Assets Under Management ("AUM") |
|-------------------|---------------------------------|
| Discretionary     | \$417,904,667                   |
| Non-Discretionary | \$33,423,453                    |
| Total             | \$451,328,121                   |

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

### **Wrap Asset Management:**

Refer to Item 4 of the Wrap Fee Brochure for additional information.

### **Comprehensive Asset Management:**

| Assets Under Management   | Max Advisory Fee (% AUM) |
|---------------------------|--------------------------|
| \$0 - \$750,000           | 2.00% Annual Fee         |
| \$750,001 - \$1,500,000   | 1.80% Annual Fee         |
| \$1,500,001 - \$3,000,000 | 1.60% Annual Fee         |
| \$3,000,001 - \$5,000,000 | 1.40% Annual Fee         |
| \$5,000,001 and above     | 1.20% Annual Fee         |

Client's will not pay more than max fee listed above. These annualized fees will be assessed quarterly in advance based on the value of the account(s) on the last day of the previous quarter; unless a client requests a different billing arrangement. Our firm at its sole discretion will grant such individualized billing requests. Advisory fees for clients over \$1,000,000 are inclusive of both asset management and Level one planning. Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. Fees & Services are negotiable and will automatically be deducted on or around the first trading day of each quarter by the custodian and will be prorated for partial quarters. Fees will be listed on the quarterly statement from the custodian. Clients will not receive a refund on any assets that are withdrawn within a quarter. Client deposits of \$6,500 and above made within a quarter will be charged at a prorated fee. Accounts within the same household will be combined for purposes of calculating the advisory fee. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

Accounts will be reviewed on a regular basis to monitor for Clients who accumulate more than \$1,000,000 in managed assets. Clients who accumulate \$1,000,000 or more in managed assets shall receive Level 1 Financial Planning at no additional cost to the client. Clients who fall below \$1,000,000 in managed assets may engage us separately for Level 1 Financial Planning based on the Client's need for ongoing Financial Planning Services. Those fees are described in greater detail below under our Financial Planning and Consulting Services. Surevest, at its discretion may provide Level 1 Financial Planning at no additional cost for clients that fall below \$1,000,000. Surevest considers all assets listed on the client's custodian and or variable annuity statements when calculating the advisory fee including illiquid assets. Typically, our clients will hold no greater than 20% in illiquid assets. Clients with under \$1,000,000 in assets are typically not offered alternative investments unless we are aware and advising on external assets outside of our management. Please contact our office if you have any questions about our billing practices.

### **Asset Management:**

Below is information regarding the fees associated with the two portfolios offered as a part of our firm's Asset Management Service.

### **Dividend Grower Portfolio**

#### **Fee Schedule**

| <b>Assets Under Management</b> | <b>Max Advisory Fee (% AUM)</b> |
|--------------------------------|---------------------------------|
| \$0 to \$5,000,000.00          | 1.25 % Annual Fee               |
| Above \$5,000,000.00           | 0.90 % Annual Fee               |

Fees to be assessed will be outlined in the advisory agreement to be signed by the Client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day. Fees for The Dividend Grower Portfolio are negotiable and will be deducted from the client's account by Surevest Private Wealth. Fees may be lower than the noted percentages at each asset class based on the exact amount of the investment and investment type where applicable. As part of the fee deduction process, the client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms.; and
- c) It is the client's responsibility to verify the calculation of advisory fees deducted from the account

### **Concentrated Growth Portfolio**

#### **Fee Schedule**

| <b>Assets Under Management</b> | <b>Max Advisory Fee (% AUM)</b> |
|--------------------------------|---------------------------------|
| \$0 to \$5,000,000.00          | 2.00% Annual Fee                |
| Over \$5,000,000.00            | 1.50% Annual Fee                |

Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from Client account(s) by Surevest Private Wealth. Adjustments will be made for deposits and withdrawals during the quarter. Surevest maintains discretion to lower fees upon written authorization provided by one of the Investment Committee Leaders. As part of this process, Clients understand the following:

- (a) Client provides authorization permitting Surevest Private Wealth to be directly paid by these terms.; and
- (b) Client's independent custodian sends statements, at least quarterly, showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to Surevest Private Wealth; and
- (c) Surevest Private Wealth will send an invoice directly to the custodian. If Surevest Private Wealth sends an invoice to the Client, a legend urging the comparison of information provided in the statement with those from the qualified custodian will be included.

### **American Funds Mutual Fund Management Program**

| <b>Assets Under Management</b> | <b>Max Advisory Fee (% AUM)</b> |
|--------------------------------|---------------------------------|
| \$0 - \$500,000                | 1% Annual Fee                   |
| \$500,000.01 - \$1,000,000     | .75% Annual Fee                 |
| \$1,000,000.01 and above       | .50% Annual Fee                 |

The annualized advisory fees are billed on a pro-rata basis quarterly in arrears based on the value of the client's account on the last business day of the previous quarter. Fees for The American Funds Program are not negotiable and will be deducted from the client's account. Fees may be lower than the noted percentages at each asset class based on the exact amount of the investment and investment type where applicable. As part of the fee deduction process, the client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the Assets and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms.; and
- c) It is the client's responsibility to verify the calculation of advisory fees deducted from the account

### **Retirement Plan Services:**

Surevest's Retirement Plan Services are billed on a flat fee basis or a fee based on the percentage of Plan assets under management. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The annual maximum fee based on a percentage or the maximum flat fee when expressed as a percentage shall not exceed 0.95%. Some factors that can impact the fees charged to the client include the manner in which assets of the account are invested such as:

- The client selects its own portfolio of investment funds from among at least 15 exchange traded funds and mutual funds;
- Target date funds will serve as the default option under all scenarios; and
- Plan participants may select custom portfolios actively managed by the Advisor.

Taking these factors into account, the fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed agreement.

401k plans through American Funds are billed on a pro-rata basis quarterly in arrears, based on the daily average of eligible assets held by the Client for the quarter. Additionally, it should be noted that the quarters end in February, May, August, and November. Any full redemption will generate a bill based on the cumulative asset value the day prior to the redemption. If a client sends a large deposit, it will be captured by the increase in daily average and reflected in the next bill.

401k plans through TD Ameritrade are billed on a pro-rata basis quarterly in arrears based on the value of the account(s) on the last day of the previous quarter.

### **Level 1 Financial Planning and Consulting:**

Surevest charges on an hourly or flat fee basis for Financial Planning and Consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$500.00 per hour or \$10,000 quarterly. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. We reserve the right to reduce or waive the financial planning or consulting fee. All plans will be delivered inside of 180 days. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months. For ongoing planning and consulting, Clients may pay a flat fee at the beginning of the year or quarterly and services will be rendered on an ongoing basis.

## **Level 2 Financial Planning and Consulting**

Level 2 planning will be delivered only by our most senior members of the firm with a minimum 10 years' experience MBA, CFA, CPA or CFP designations

Surevest charges on an hourly or flat fee basis for Financial Planning and Consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$1,000 per hour or \$15,000 quarterly. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. We reserve the right to reduce or waive the financial planning or consulting fee. All plans will be delivered inside of 180 days. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months. For ongoing planning and consulting, Clients may pay a flat fee at the beginning of the year or quarterly and services will be rendered on an ongoing basis.

### **Institutional Consulting:**

Surevest charges on an hourly or flat fee basis for Institutional Consulting services. Institutional services **will be delivered only by our most senior members of the firm with a minimum 10 years' experience MBA, CFA, CPA or CFP designations.** The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$1,000 per hour or \$30,000 quarterly. Our firm will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months. The fee-paying arrangements for this service will be determined on a case-by-case basis.

### **SV Private Family CFO & SV Multi Family Services:**

Refer to Item 4 of the Wrap Fee Brochure for additional information.

### **Third Party Money Manager Services:**

The total annual advisory fee paid to Surevest for this service shall not exceed 1.00%. Surevest receives compensation for portfolio management services under a dual-contract relationship with both the IAs and their clients. Surevest charges a quarterly management fee calculated as a percentage of the market value of the IA's cumulative assets under management with our firm. The IA's client shall not be charged by our firm and the IA in excess of the stated maximum. The annualized fees are billed on a pro-rata basis quarterly basis in advance. Our fees (include compensation for IA services provided to the accounts we manage) will be deducted from the client's managed account. Our fees are negotiable. Fees will automatically be deducted on or around the first trading day of each quarter by the custodian and will be prorated for partial quarters. Clients will provide authorization permitting our firm to be directly paid by these terms. Fees will be listed on the quarterly statement from the custodian. Clients will not receive a refund on any assets that are withdrawn within a quarter. Client deposits made within a quarter will be charged at a prorated fee. Accounts within the same household will be combined for purposes of calculating the advisory fee.

### **Additional Client Fees Charged**

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Non-Wrap Clients will incur transaction fees for trades executed by their chosen custodian, either based on a percentage of the dollar amount of assets in the account(s) or via individual transaction charges. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade, Inc. ("TD Ameritrade"), does not charge transaction fees for U.S. listed equities and exchange traded funds.

Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive a portion of these fees.

Client should review both the fees charged by the funds and the fees charged by Surevest to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided

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### **Termination & Refunds**

Either party may terminate any of our asset management services, American Funds service, Retirement Plan Consulting Services, SV Private Family CFO & SV Multi Family Office Services, or Third Party Money Manager services in writing with thirty (30) days written notice. Upon receipt of notice of termination our firm will process a pro-rata refund of the unearned portion of the advisory fees charged in advance.

Financial Planning and Consulting and Institutional Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm.

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### **Commissionable Securities Sales**

Our firm and representatives do not sell securities for a commission in advisory accounts.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

Surevest does not charge performance-based fees.

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

Surevest generally provides investment advice to individuals, high net worth individuals, charitable organizations and pension plans. Client relationships vary in scope and length of service.

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### **Account Minimums**

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Our firm requires a minimum account balance of \$500,000 for our Comprehensive Asset Management service. Generally, this minimum account balance requirement is not

negotiable and would be required throughout the course of the client's relationship with our firm. However, Surevest may waive this requirement at its sole discretion.

- Our firm typically requires a client's minimum account balance to be \$3,000,000 prior to our firm engaging them with our CMA services. This minimum account balance requirement is negotiable and would be required throughout the course of the client's relationship with our firm.
- Our firm typically requires a client's minimum account balance to be \$5,000,000 prior to our firm engaging them with our Private Family CFO services & \$25,000,000 for our SV Multi Family Office Service. This minimum account balance requirement is negotiable and would be required throughout the course of the client's relationship with our firm.

Should the market value of the client's account fall below the minimum account balance requirement, our firm reserves the right to require that additional funds or securities be deposited to bring the account value up to the required minimum or to close the account. While certain clients may choose one of the strategic portfolios there are most likely differences between the positions of some clients based on market conditions and available options at the time of allocation. Clients in the same strategic portfolio may have positions different from another based on what we deem appropriate for a particular client at time of allocation and rebalancing.

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

### **Methods of Analysis**

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Surevest utilizes various methods of analysis in formulating its investment advice for managing assets and designing its strategic portfolios. Our Firm employs a defined process for each step in the investment management cycle. This includes ongoing selection, implementation and monitoring.

Additionally, our firm typically engages in fundamental, technical and/or quantitative analysis when reviewing prospective investments. Surevest carefully selects its investments by beginning with an investment performance evaluation and screen of the broadest possible universe of assets and securities. Investments that qualify from a performance standpoint are then examined to determine their process for security selection, portfolio construction and sell decisions. Once that evaluation is complete, a qualitative examination of the investment is typically conducted. During this phase, our firm gains insights through reviewing reports from external industry data providers, including market news reports, financial publications, corporate rating services, outside research reports, annual reports, prospectuses, SEC filings and company press releases. Utilizing this broad information gathering process, Surevest attempts to determine what investments appear to be suitable and in line with the investment objectives of the Firm's various strategic portfolios and/or SMAs. To assist in this investment analysis process the Firm may utilize the services of an outside analyst or third-party software for quantitative analysis and technical analysis. All data is analyzed by our Chief Investment Strategist, Robert J. Luna & or our Managing Director of Investments, Luis Galdamez, CFA.

### **Investment Strategy**

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The investment strategies Surevest may pursue on behalf of clients include derivative transactions (e.g., covered calls, long puts, etc.), long and short-term purchases, dependent upon the client's investment objectives and current needs. Surevest may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. For example, Surevest may recommend specific stocks, bonds or funds to increase

sector weighting and/or dividend potential, or may recommend employing cash positions, options or short positions as a possible hedge against market movement which may adversely affect the portfolio. Additionally, Surevest may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

### **Security Specific Material Risks**

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All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Surevest's investment recommendations are subject to various markets, currency, economic, political and business risks and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bare. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at any time be worth more or less than the amount invested.

Prior to entering into an agreement with Surevest, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of ten years, (2) that volatility from investing in the stock market can occur, and (3) that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested.

In addition, generally, the market value of stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. Additionally, small-cap stocks may be subject to a higher degree of risk than more established companies' securities. The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value at maturity. Interest rates for bonds may be fixed at the time of issuance, and payment of principal and interest may be guaranteed by the issuer and, in the case of U.S. Treasury obligations, backed by the full faith and credit of the U.S. Treasury. The market value of Treasury bonds will generally fluctuate more than Treasury bills, since Treasury bonds have longer maturities. In addition, there is no assurance that a mutual fund, ETF or strategic portfolio will achieve its investment objective. Past performance of investments is no guarantee of future results. High yield bonds carry with it certain risks as it invests a portion of net assets in lower-rated and non-rated convertible and other debt securities which present greater risk of loss of income and principal than higher-rated securities and are considered to be predominantly speculative with respect to the payment of interest and repayment of principal. Such securities may also be subject to greater volatility as a result of changes in prevailing interest rates than other debt securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets.

Mutual fund investing involves risk including the possible loss of principal. Non-diversified funds are more susceptible to financial, market and economic events affecting the particular issuers and industry sectors in which they invest and therefore may be more volatile or risky than less concentrated investments. There can be no assurance that any fund will be able to achieve its



investment objective. For more information on a particular fund's associated risks, please refer to that fund's prospectus or equivalent disclosure document.

Investors face the following investment risks and should discuss these risks with Surevest:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Alternative Investments:** Hedge funds, commodity pools, Real Estate Investment Trusts ("REITs"), Business Development Companies ("BDCs"), and other alternative investments involve a high degree of risk and can be illiquid due to restrictions on transfer and lack of a secondary trading market. They can be highly leveraged, speculative and volatile, and an investor could lose all or a substantial amount of an investment. Alternative investments may lack transparency as to share price, valuation and portfolio holdings. Complex tax structures often result in delayed tax reporting. Compared to mutual funds, hedge funds and commodity pools are subject to less regulation and often charge higher fees. Alternative investment managers typically exercise broad investment discretion and may apply similar strategies across multiple investment vehicles, resulting in less diversification.

**Covered Calls:** The risks associated with this type of strategy involve having the underlying stock called away. Each contract has a strike price at which the writer of the contract agrees to allow the purchaser call the stock away from the writer. This can create a taxable event whereby the writer of the option is required to recognize a capital gain on the underlying security. Furthermore, the

market price could appreciate beyond the strike price, forcing the writer to sell their holdings below current market value.

**Strategy Risk:** There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

**Concentrated Risk:** Non-diversified portfolios are designed to be aggressive. There are risks associated with placing a large portion of one's portfolio in a small number of securities. Depending on market fluctuation or the fluctuation of those few securities in one's portfolio, one's portfolio could feel outsized losses that would not normally be felt if the portfolio was more diversified and held more securities.

### Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

Surevest is a registered investment advisor and only provides investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives are licensed to sell other products or provide services outside of their role as investment advisor representatives with us. Our representatives, however, no longer accept customary fees as a result of insurance sales. We may help clients facilitate insurance transactions but will not accept commissions.

Members of our firm are also Certified Public Accountants. In such a capacity they provide income tax preparation or accounting services through CAPATA. These services are independent of our financial planning and investment advisory services and are governed under a separate engagement agreement. The fees for these services are based on the scope and complexity of the work to be completed. Clients have the option of engaging CAPATA for tax preparation or accounting services, however, they are under no obligation to do so. Our financial professionals do not have signatory authority over client accounts, but as part of the tax and accounting services may request view only privileges (using their own unique credentials) into client accounts.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all

circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate this conflict of interest, our related persons are required to disclose all reportable securities transactions as well as provide our firm with copies of their brokerage statements. Moreover, our firm's senior management reviews employee trades involving reportable securities each quarter and holding reports annually. The personal trading reviews help ensure that the personal trading of related persons do not affect the markets, and that clients of our firm receive preferential treatment. Since most related persons trade in small mutual funds or exchange-traded funds, the transactions generally do not affect the securities markets. In all cases, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

## **Item 12: Brokerage Practices**

### **Custodian & Brokers Used**

Our firm does not maintain custody of client assets (although our firm may be deemed to have custody of client assets if give the authority to withdraw assets from client accounts. See *Item 15 Custody*, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Our firm recommends that clients engage:

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- The Schwab Advisor Services division of Charles Schwab & Co. Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC; or
- The TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (“TD Ameritrade”) member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer.

Our firm is independently owned and operated and is not affiliated with either Schwab or TD Ameritrade (herein “Custodians”). The Custodians will hold client assets in a brokerage account and buy and sell securities when instructed. While our firm recommends that clients use either of the Custodians as custodian/broker, clients will decide whether to do so and open an account with one of the Custodians by entering into an account agreement directly with them. Our firm does not open the account. Even though the account is maintained the Custodians, our firm can still use other brokers to execute trades, as described in the next paragraph.

### **How Brokers/Custodians Are Selected**

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist in making investment decisions quality of services.
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them.
- reputation, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm, as discussed below (see *“Products & Services Available from The Custodians”*)

### **Custody & Brokerage Costs**

The Custodians generally do not charge separately for custodial services but are compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Custodians’ account. For some accounts, the Custodians may charge your account a percentage of the dollar amount of assets in the account in lieu of commissions. The Custodians’ commission rates and/or asset-based fees applicable to client accounts were negotiated based on our firm’s commitment to maintain a minimum threshold of assets statement equity in accounts at the Custodians. This commitment benefits clients because the overall commission rates and/or asset-based fees paid are lower than they would be if our firm had not made the commitment. In addition to commissions or asset-based fees, the Custodians charge a flat dollar amount as a “prime broker” or “trade away” fee for each trade that our firm has executed by a different broker-dealer but where

the securities bought or the funds from the securities sold are deposited (settled) into one of the Custodians' accounts. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has one of the Custodians execute most trades for our clients' accounts.

### **Products & Services Available from the Custodians**

Schwab Advisor Services and TD Ameritrade Institutional program are the Custodians' businesses serving independent investment advisory firms like our firm. They provide our firm and clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to either custodian's retail customers. The Custodians also make available various support services. Some of those services help manage or administer our client accounts while others help manage and grow our business. The Custodians' support services are generally available on an unsolicited basis (our firm does not have to request them) and at no charge to our firm. The availability of the Custodians products and services are not based on the provision of particular investment advice, such as purchasing particular securities for clients. Here is a more detailed description of the Custodians' support services:

### **Services that Benefit Clients**

The Custodians' 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 these programs include some to which our firm might not otherwise have access or that would require a significantly higher minimum initial investment by firm clients. The Custodians' services described in this paragraph generally benefit clients and their accounts.

### **Services that May Not Directly Benefit Clients**

The Custodians also make available other products and services that benefit our firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering our client accounts. They include investment research, both proprietary to each custodian and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained by either of the Custodians. In addition to investment research, the Custodians also make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

### **Services that Generally Benefit Only Our Firm**

The Custodians also offer other services intended to help manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and

- access to employee benefits providers, human capital consultants and insurance providers.

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

Irrespective of direct or indirect benefits to our clients through the Custodians, our firm strives to enhance the client experience, help clients reach their goals and put client interests before that of our firm and associated persons.

### **Our Interest in The Custodians' Services.**

The availability of these services from the Custodians benefits our firm because our firm does not have to produce or purchase them. Our firm does not have to pay for these services, and they are not contingent upon committing any specific amount of business to the Custodians in trading commissions or assets in custody.

In light of our arrangements with the Custodians, a conflict of interest exists as our firm may have incentive to require that clients maintain their accounts with the Custodians based on our interest in receiving the Custodians' services that benefit our firm rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of the Custodians as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend the Custodians and has determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions. Our firm believes that the selection of the Schwab and TD Ameritrade as a custodian and broker is in the best interest of our clients. This is primarily supported by the scope, quality and price of both custodians' suite of services, and not solely the Custodians' services that only benefit our firm.

### **Soft Dollars**

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Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

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The Custodians do not make client brokerage commissions generated by client transactions available for our firm's use.

## **Client Transactions in Return for Soft Dollars**

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Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

## **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

## **Directed Brokerage**

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In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement) and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

Our firm provides appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that our firm otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, our firm will inform clients in writing that the trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

## **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in-order-to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **Client-Directed Brokerage**

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Our firm allows clients to direct brokerage outside our recommendation. Our firm may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, clients may pay higher brokerage commissions because our firm may not be able to aggregate orders to reduce transaction costs, or clients may receive less favorable prices.

## **Aggregation of Purchase or Sale**

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Surevest does have the option to effect transactions for each client account or strategic portfolio independently. However, generally Surevest will aggregate trades of accounts. Trade aggregation, or “block trading,” may result in better execution and/or better realized prices. Because of Surevest’s style of strategic portfolio management utilizing mutual funds and ETFs, or alternatively, separately managed account management, which consists of individual, customized portfolio management, it may not be possible to bunch orders. Alternatively, even when possible, Surevest may not be able to execute all shares of an aggregated trade because of prevailing market conditions, in which case Surevest will allocate the trade among participating accounts in an equitable manner determined prior to execution of the trade. Ordinarily, the executing broker-dealer will provide an average price, and where possible, average transaction costs that will be allocated to all accounts participating in the aggregated trade. In certain cases, Surevest may not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability and account restrictions. This is especially true when the Firm transacts in bonds or other securities that are limited in supply.

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

While asset management accounts are monitored on an ongoing basis, Investment Advisor Representatives of Surevest will undertake reviews of client accounts not less than annually. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made. Additionally, a client’s personalized Investment Policy Statement is generally reviewed and updated upon written request from the client or upon material changes in the clients financial situation, risk tolerance or objectives to help meet the client’s financial goals.

Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client’s life events, requests by the client, etc.

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived. In addition to the regular statements clients receive from their custodian, for individual accounts with balances of \$50,000 or greater & in a financial planning inclusive model, Surevest may send clients or deposit in a secure online portal, detailed reports on a quarterly basis concerning relevant account and/or market-related information as well as an inventory of account holdings and account performance. Clients are urged to compare the statements received from Surevest to those received from the account custodian and other third parties and should contact our CCO immediately if they see a discrepancy.

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

#### **TD Ameritrade**

Our firm may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our firm’s participation in the program and the investment advice given to clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client



statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

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## **Schwab**

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

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## **Referral Fees**

Surevest pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

Our firm has entered into a referral program with CI Financial Corp. ("CI") a Canadian registered asset management firm, wherein CI may refer Canadian citizens and/or expatriates to our firm for our services. This arrangement will not result in higher costs to the referred client and the referred client will be given full written disclosure describing the terms of the referral and any fee arrangements between our firm and CI.

## Item 15: Custody

Our firm does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If our firm decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian, TD Ameritrade:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfers should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## Item 16: Investment Discretion

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. In exercising full discretionary authority, Surevest selects, without first obtaining client's permission, (1) the securities to be bought and sold; (2) the amounts of securities to be transacted and whether it will be individually, or block traded; and (3) the broker-dealer through which transactions will be executed. Surevest's discretionary authority may be subject to conditions imposed by a client. This may occur when a client restricts or prohibits transactions in a security for a specific company or for an industry sector, or requests that the Firm place trades with a specific broker-dealer (aka "directed brokerage").

Investment management services performed by Surevest are generally done on a discretionary basis. In exercising its discretionary authority, Surevest has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined with those of other clients and traded as a "block." Such discretion is to be exercised in a manner

consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, Surevest's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on Surevest's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Surevest in writing within 48 hours of engagement. Surevest does also manage a limited number of accounts on a non-discretionary basis in which Surevest must receive approval from the client prior to any action taken on the account(s).

### **Item 17: Voting Client Securities**

Surevest does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. In the event a proxy solicitation is sent to Surevest on behalf of a client, Surevest will forward the solicitation to the client's address of record within seven (7) business day so that the client may cast the proxy vote. For any mutual funds held in a client's account, the mutual fund is responsible for voting proxies on securities held in the mutual fund portfolio and not Surevest.

### **Item 18: Financial Information**

Surevest is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.