

**Item 1 – Cover Page**



**Cerity Partners Retirement Plan Advisors LLC**

**11601 Wilshire Boulevard**

**Suite 2240**

**Los Angeles, CA 90025**

**(310) 456-6343**

**[www.ceritypartners.com](http://www.ceritypartners.com)**

**January 4, 2021**

This brochure ("Brochure") provides information about the qualifications and business practices of Cerity Partners Retirement Plan Advisors LLC ("RPA"). If you have any questions about the contents of this Brochure, please contact us at (212) 850-4284 or [sevans@ceritypartners.com](mailto:sevans@ceritypartners.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

RPA is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with the information to evaluate in deciding to hire or retain an adviser.

Additional information about RPA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The following is a summary of material changes to this Disclosure Statement from the version submitted to the Securities and Exchange Commission in March 2020:

- Effective September 2020, Stuart Evans is the Chief Compliance Officer of Cerity Partners Retirement Plan Advisors LLC.
- As of December 1, 2020, Sage became the Investment Adviser to six unaffiliated private investment vehicles: Global Equity Access Fund, L.P., MAI Wealth Private Equity Fund, L.P., Algonquin Special Opportunities Fund I, L.P., Algonquin Middle Market Opportunities Fund, L.P., AMMOF Ltd. and AMMOF AIV, L.P.
- John Hyman, a related person of Sage serves as an unpaid member of the Legg Mason Client Solutions Advisory Board

## Item 3 – Table of Contents

<b>Item 1 – Cover Page</b> .....	i
<b>Item 2 – Material Changes</b> .....	ii
<b>Item 3 – Table of Contents</b> .....	iii
<b>Item 4 – Advisory Business</b> .....	1
<i>Firm Description and Principal Ownership</i> .....	1
<i>Standard Services</i> .....	1
<b>Item 5 – Fees and Compensation</b> .....	4
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b> .....	5
<b>Item 7 – Types of Clients</b> .....	5
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	5
<i>Risk Factors</i> .....	5
Cash.....	5
Global Fixed Income.....	5
Global Equity.....	6
<b>Item 9 – Disciplinary Information</b> .....	7
<b>Item 10 – Other Financial Industry Activities and Affiliations</b> .....	7
<b>Item 11 – Code of Ethics</b> .....	11
<b>Item 12 – Brokerage Practices</b> .....	12
<i>Factors in Selecting or Recommending a Custodian or Broker-Dealer</i> .....	12
Research and Other Economic Benefits.....	12
Directed Brokerage Permitted .....	12
<b>Item 13 – Review of Accounts</b> .....	13
<i>Account Reviews</i> .....	13
<i>Reporting</i> .....	13
<b>Item 14 – Client Referrals and Other Compensation</b> .....	13
<b>Item 15 – Custody</b> .....	14
<b>Item 16 – Investment Discretion</b> .....	14
<b>Item 17 – Voting Client Securities</b> .....	14
<b>Item 18 – Financial Information</b> .....	14

## Item 4 – Advisory Business

### *Firm Description and Principal Ownership*

RPA is an SEC registered investment adviser providing pension consulting and investment management services to defined benefit and defined contribution plans. RPA works closely with the plan sponsors and other plan fiduciaries, regarding plan design, investment options, selection of the plan administrator and record keeper, enrollment and educational services for plan participants, and other services based upon our analysis of the particular needs of the plan. Thereafter, RPA shall periodically conduct a review of the plan, the investment options offered by the plan to its participants, the model portfolios constructed for the plan, and any other items the plan sponsors have agreed to in the RPA services agreement. RPA is an SEC-registered investment adviser wholly owned by Cerity Partners LLC (“Cerity Partners”). Cerity Partners is controlled by Cerity Partners Equity Holding LLC, a subsidiary of Cerity Partners Holdings LLC, which is a wholly-owned subsidiary of Lightyear Fund IV AIV-1, L.P. (“LY Fund IV”), an investment fund advised by an affiliate of Lightyear Capital LLC (“Lightyear”), a registered investment adviser. Further information regarding Lightyear is set forth in its Form ADV filed with the U.S. Securities and Exchange Commission.

### *Standard Services*

RPA offers the following services:

#### **ERISA Non-Fiduciary Services**

**Plan Design Consulting:** RPA will perform a review of the Plan’s existing arrangements and will provide recommendations that are designed to assist in identifying any limitations of existing and/or proposed Plan arrangements as well as recommendations to assist the a client in its decision to make additional services available through the Plan.

**Investment Policy Statement:** RPA will assist the client in developing a formal, written Investment Policy Statement (“IPS”) or it may review and recommend amendments to the client relating to the existing IPS. The IPS may contain the standards and processes for selecting and monitoring Plan investments, and will set forth the number of general investment options and asset class categories to be offered to Plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios through a mix of asset class exposures. The IPS is subject to the final approval of client, and RPA does not guarantee that the client will achieve the investment objectives in

the IPS. In providing IPS services, RPA will not render any investment advice and will not be acting as an ERISA fiduciary.

**Financial Wellness Coaching:** RPA will conduct periodic group enrollment and education meetings with Plan participants through its team of salaried (non-commission) retirement consultants. The purpose of the meetings is to increase retirement plan participation among employees and to assist Plan participants in making informed decisions about contribution amounts, investment allocations and distributions. Only standardized investment education materials, which are consistent with “investment education” as that term is defined in Department of Labor Interpretative Bulletin 96-1, will be used in connection with providing Financial Wellness Coaching. Such information may include information about the benefits of Plan participation, investment objectives of Plan investment options, general financial and investment information, asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles and interactive investment materials such as questionnaires to assess the impact of different allocations on retirement income. RPA may also provide interactive investment materials to assist participants in assessing their future retirement income needs. In providing Financial Wellness Coaching services, RPA will not provide advice concerning the appropriateness of any individual investment option for a particular participant or beneficiary under the plan and will not be acting as an ERISA fiduciary in rendering, unless the client elects “Participant Advice” Services as described below.

**Administrative Support:** RPA will make its representatives available to the Client to educate the Client and its employees about the Plan’s features, including any web-based support offered by RPA or other service providers.

## **ERISA Fiduciary Services**

**Investment Recommendations & Performance Monitoring:** Unless the client elects RPA’s Fiduciary Protection Program as described below, RPA will perform the following nondiscretionary service as an ERISA fiduciary, as defined in Section 3(21) of ERISA. RPA will review the investment options available through the Plan and will provide recommendations to the client to assist in selecting the “core” investments to be offered to Plan participants, including the Plan’s QDIAs, if applicable, that meet the criteria set forth in the Plan’s IPS. RPA will provide reports on a regular basis that are designed to assist the client in monitoring the core investment options and may provide recommendations to assist the client in removing and replacing investments that no longer meet the IPS criteria.

**Participant Advice:** RPA will meet with Plan participants that seek to engage RPA for Participant Advice services to gather information concerning their retirement investments, time horizon, risk tolerance and investment goals. RPA will review the information and provide individualized investment advice that may include a recommendation to invest in a particular model portfolio or percentages to be allocated among a number of the Plan's core investment options. RPA will not provide recommendations on investments held outside of the plan, and the Plan participant retains the sole responsibility to implement the recommendations. RPA does not guarantee that it will achieve the Plan participants' investment objectives.

#### *Additional Services - Fiduciary Services*

##### **ERISA Fiduciary Services:**

**Investment Management Services:** RPA shall have discretionary investment authority to direct the core investments offered to Plan participants in a manner that is consistent with the criteria set forth in the Plan's IPS. Such authority will include that necessary to select, monitor, remove, and replace all investment alternatives that constitute the core investment menu. In the event that RPA provides instructions directly to the plan's record keeper or third-party administrator with regard to the removal, or replacement of investments. In rendering Investment Management Services, RPA will act as an ERISA fiduciary and will serve as an investment manager as defined in Section 3(38) of ERISA. RPA shall retain final decision-making authority with regard to all discretionary fiduciary services, and the Plan fiduciaries remain responsible for demonstrating that RPA was prudently selected and monitored.

##### **ERISA Non-Fiduciary Services:**

**Review of Fiduciary Liability Insurance Coverage:** RPA will work with qualified insurance professionals to review client's fiduciary liability coverage. RPA may assist the Client in obtaining additional or replacement insurance if necessary.

**Formal Plan Committee and Charter:** RPA will assist in establishing a formal Retirement Plan Committee, if one does not already exist and, draft a Committee Charter which will serve as a guide to the committee regarding fiduciary decisions related to the management and administration of the retirement plan. RPA will schedule, draft agendas, and manage the Committee meetings.

**Fiduciary File Maintenance:** RPA will create a Fiduciary File containing plan documents, committee meeting materials, compliance filings, etc., and provide a paper trail of the committee decision-making process. We will work closely with your service providers to

request and upload pertinent documents & disclosures as they become available. In addition, we will provide an annual fiduciary assessment report for the Committees review.

**Fiduciary Training:** RPA provides both onsite and online fiduciary training for your committee. RPA provides education pertaining to topics such as: fiduciary responsibility, prohibited transactions, selecting and monitoring service providers and overall plan governance.

**Strategic Planning:** RPA will work with Committee to establish an 18-month strategic planning calendar to ensure all aspects of your retirement plan are addressed. We manage these workflows through a custom client management system designed for institutional clients.

**Monitoring of Qualified Fiduciary:** The Client is responsible as a Plan fiduciary for selection of RPA as a Plan fiduciary, and for monitoring the performance of RPA. To facilitate this responsibility, RPA will provide Client with a structure for the annual review and monitoring of the RPA as a Plan fiduciary. RPA provides the Client with its proprietary diagnostic and benchmarking tool designed to measure the dimensions of a successful plan from both a plan participant and plan sponsor perspective.

#### *Customization*

RPA tailors all services to the individual parameters and restrictions of each Retirement Plan, the plan documents and the instructions of the plan sponsors.

#### *Assets Under Management*

As of December 31, 2019, RPA has assets under management totaling \$11,994,871,368. Of that total, \$1,175,569,537 is managed on a discretionary basis and \$10,769,301,831 is managed on a non-discretionary basis.

The parent company of RPA, Cerity Partners and its subsidiaries have aggregate assets under advisement of \$28,201,119,685 as of December 31, 2019.

## **Item 5 – Fees and Compensation**

RPA charges an annualized fee of up to 0.75% of the plan's assets, as valued by a third-party pricing service, for the pension consulting services described above. In lieu of an asset-based fee, RPA may charge a fixed fee based on the scope of the engagement. Generally, a fixed fee will not exceed 0.75% of the plan's assets unless there are special circumstances warranting a higher fee. The type and amount of the fees charged to the client are negotiable and are generally based on the size and complexity of the plan, the number of plan participants, the location of the participants, the estimated number of meetings required, and other factors

that may be deemed relevant by RPA when negotiating with the client. An estimate of the total cost will be determined at the start of the advisory relationship. The agreed upon fee will be deducted from Plan assets or billed directly each quarter.

RPA's fees are exclusive of, and in addition to, charges imposed by plan administrators, custodians, brokers, third party investment managers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. In addition, mutual funds and exchange-traded funds charge internal management fees, which the fund discloses in its prospectus. RPA will not share in any of these additional fees.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

RPA does not charge performance-based fees or engage in side-by-side management of plan accounts. However, RPA's affiliates may recommend similar investment methodology and employ identical risk-based investment models.

## **Item 7 – Types of Clients**

RPA provides its services to the plan sponsors or defined benefit and defined contribution plans including 401(k) plans, corporate pension plans and profit-sharing plans.

RPA generally requires a minimum of \$2,000,000 in plan assets and a minimum annual fee of \$15,000. These minimums may have the effect of making RPA's service impractical for certain plans. RPA, in its sole discretion, may waive its stated plan minimum or charge a lesser minimum fee. Additionally, certain third-party managers recommended by RPA may impose more restrictive account requirements and use different billing practices from those of RPA. In these cases, RPA may alter its account requirements and/or billing practices to accommodate the third-party manager.

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

Asset allocation is a strategy, advocated by modern portfolio theory, for reducing risk in an investment portfolio in order to maximize returns. Specifically, asset allocation means dividing plan/participant assets among different broad categories of investments, called asset classes under the presumption that each different asset class performs differently as



economic conditions change. RPA employs its asset allocation strategy to select plan fund lineups and to develop risk-based investment models for each plan. RPA uses three (3) primary assets classes and eleven (11) sub-asset classes in developing its allocations:

- Cash
- Global Fixed Income
  - Domestic Govt./Agency
  - Domestic Tax Exempt
  - Emerging Market Debt
  - Investment Grade Credit
  - High Yield Credit
  - Global Bonds
- Global Equity
  - US Large Cap
  - Small/Cap
  - Global Equity
  - Emerging Market Equity

RPA has developed five (5) risk-based investment models for use inside of Retirement Plans at the election of the Retirement Plan participants:

- Conservative
- Moderate
- Balanced
- Growth
- Aggressive

RPA will create at the request of the Retirement Plan sponsor additional risk-based models. RPA will rebalance, as necessary, the participants' account within the plan from time to time to bring the account within the parameters of the selected model. In addition, RPA will re-evaluate its fund selections and risk-based models on a regular basis and make adjustments as necessary to respond to changes in the market conditions. Diversification of investments among asset classes does not insulate an investor from market risk and does not ensure a profit. There is no guarantee that RPA will design a risk-based model that will meet a plan's or plan participant's objectives or be profitable.

From time to time, RPA reviews all fund recommendations and risk-based models to assess their effectiveness relative to market conditions. RPA may terminate an investment option if the investment's:

- management team has experienced significant turnover
- process has changed significantly
- performance significantly underperforms its peers.
- fails to achieve performance objectives.
- management failed to maintain a consistent investment style.
- scoring has been on the "Watch List" for an extended period of time

The underlying investments and the portfolio allocation ranges in each strategy are subject to change from time to time without notice. More information on our fund scoring process is available upon request.

**Investing in securities involves risk of loss that clients should be prepared to bear.** While no list of risks could be exhaustive, the following is a list of risks associated with the asset classes contained in RPA's investment models and recommendations.

*Risk Factors:*

Cash

- *inflation risk*, the risk that the rate of inflation will erode the purchasing power of cash over time;

Global Fixed Income

- *interest rate risk*, which is the chance that fixed income prices overall will decline because of rising interest rates;
- *inflation risk*, that the rate of return on fixed income investments will be lower than the rate of inflation;
- *income risk*, which is the chance that the income produced by investments will decline because of falling interest rates;
- *credit risk*, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and
- *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates

before their maturity dates. The investment would then lose any price appreciation above the bond's call price and RPA would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the income produced by the investment. For mortgage-backed securities, this risk is known as *prepayment risk*.

#### Global Equity

- *stock market risk*, which is the chance that equity prices overall will decline;
- *country/regional risk*, which is the chance that world events—such as political upheaval, financial troubles, or natural disasters—will adversely affect the value of companies in a particular country or region; and
- *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

In addition to the risks associated with the individual asset classes discussed above, RPA's investment methodology is subject to:

- *asset allocation risk*, which is the chance that the selection of underlying investments and the allocation of assets to them, will cause the client's portfolio to underperform other investments or strategies with similar investment objectives; and
- *manager risk*, which is the chance that poor security selection or focus on securities in a particular sector, category, or group of companies will cause one or more of the underlying third-party managers selected by RPA to underperform relevant benchmarks or other strategies with similar investment objectives.
- *cybersecurity risks*. RPA, through Cerity Partners information and technology systems, may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Cerity Partners and RPA has policies and procedures and has implemented various measures to manage risks relating to these types of events; however, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, RPA may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason

could cause significant interruptions in Sage's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm RPA's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance, potentially resulting in financial losses to an investor and/or client. Additionally, any failure of Cerity Partners' and RPA's information, technology or security systems could have an adverse impact on its ability to manage the portfolios of advisory clients.

Exposure to the risk factors discussed above is proportionate with the percentage of their portfolio allocated to a particular asset class. Where the retirement plan sponsor has requested additional risk-based models, there may be additional risk factors that are not included in this Item 8.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management. RPA has no information applicable to this Item.

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

RPA is wholly owned by Cerity Partners. Cerity Partners is controlled by Cerity Partners Equity Holding LLC, an entity controlled by Cerity Partners EOE LLC which is owned by certain employees of Cerity Partners and Cerity Partners Holdings LLC, which is a wholly-owned subsidiary of Lightyear Fund IV AIV-1, L.P. ("LY Fund IV"), an investment fund advised by an affiliate of Lightyear Capital LLC ("Lightyear"), a registered investment adviser. However, Lightyear, LY Fund IV, and their affiliates do not have any role in the Firm's investment process related to the management of client assets. See Item 11 for information regarding the Information Barrier policy adopted by Cerity Partners and its subsidiaries, and Lightyear.

RPA is a subsidiary of Cerity Partners which is the 50% owner of Baja Wealth Advisors LLC ("BWA"), an SEC registered investment adviser. RPA is under common control with Sage Advisors LLC ("Sage"), which is also a wholly owned subsidiary of Cerity Partners. Cerity Partners provides its subsidiaries with office space, personnel and other resources pursuant to an administrative services agreement with each firm.

Sage is the general partner of Hampshire Associates Fund, L.P., Hampshire Associates Fund QP, L.P., Hampshire Institutional Fund, L.P., and Praesidio Low Volatility Fund, L.P.

(collectively the “Sage Funds”) to engage primarily in the business of investing and trading in securities. Interests in the Funds are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. As of December 1, 2020, Sage is the investment adviser to 6 unaffiliated private funds, Global Equity Access Fund, L.P., MAI Wealth Private Equity Fund, L.P., Algonquin Special Opportunities Fund I, L.P., Algonquin Middle Market Opportunities Fund, L.P., AMMOF Ltd. and AMMOF AIV, L.P. collectively referred to as “the Algonquin Funds”, and the Sage Funds and Algonquin Funds together are collectively referred to as “the Funds”. Each of the Funds currently relies on an exemption from registration under the Investment Company Act of 1940, as amended. Sage has discretionary authority to determine the broker or dealer to be used by the Funds. The Funds seek to achieve capital preservation and above-average risk-adjusted returns using a “multi-manager diversification” strategy. Sage seeks to achieve these investment objectives by utilizing a “multi-style, multi-manager diversification” strategy, an investment strategy under which assets are invested through various non-affiliated third-party managers.

Participation as an investor in the Funds is generally offered to investors that are qualified clients pursuant to the requirements under Rule 205-3 under the Advisers Act, as well as are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, and for certain investments, “qualified purchasers” as defined under the Investment Company Act of 1940, as amended. Please refer to each of the Funds’ Governing Documents for complete details on each of the Funds.

To avoid having an advisory client of RPA paying RPA and its affiliates multiple fees on the same assets invested with RPA and its affiliate, Sage. RPA or Sage waive (and may waive for future advisory clients) its management fees with respect to the portion of such client’s assets: (i) that are invested in one or more of the Funds Hampshire, Praesidio, and Global Equity Access Funds and (ii) with respect to which RPA or Sage (as applicable) separately receives an asset-based investment advisory fee.

Partners’ client assets that are invested in a Fund will be subject to, and bear, their share of any management and performance-based fees charged to the Fund by Portfolio Managers in addition to any management fees they pay Cerity Partners or Sage.

Sage will devote its best efforts with respect to its management of the Funds. Given the above discussion relative to the objectives, suitability, risk factors, and qualifications for participation in the Funds, Sage may give advice or take action with respect to the Funds that differs from that which RPA may give for its client accounts. To the extent that a particular investment is suitable for both the Funds and certain client accounts, RPA and Sage have policies and procedures to ensure such investments will be allocated between the Funds and the individual client accounts pro rata based on the assets under management or in some other manner which RPA determines is fair and equitable under the circumstances to all of its clients.

Kurt Miscinski, President and Chief Executive of RPA serves on the Schwab Advisor Services Advisory Board (the “Board”). As described under Item 12 of this Form ADV, RPA or its affiliates may recommend that clients establish brokerage accounts with certain qualified custodians, which may include Charles Schwab & Co., Inc. (“Schwab”), to maintain custody of the clients’ assets and effect trades for their accounts. The Board consists of approximately 20 representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services’ services for independent investment advisory firms and their clients. Board members serve for two-year terms. Mr. Miscinski’s term ends April 2021. Board members enter nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Board members’ travel, lodging, meals and other incidental expenses incurred in attending Board meetings.

RPA endeavors at all times to put the interest of their clients first over their own personal interests and/or the personal interests of their affiliates as part of their fiduciary duty as registered investment advisers and take the following steps to address potential conflicts arising from the services Sage provides to those Fund investors:

1. RPA discloses to its clients the existence of all material conflicts of interest, including the potential for Sage to earn additional compensation from the client in connection with Sage’s investment management provided for the Funds;
2. RPA discloses to its clients that they are not obligated to purchase the Funds or any other additional advisory and non-advisory services from RPA or its affiliates not covered under the client’s specific signed Agreement;
3. RPA requires that employees seek prior approval of any outside employment activity so that RPA may ensure that any conflicts of interests in such activities are properly addressed;
4. RPA periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
5. RPA educates employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Mr. Miscinski is a member of the Capital Group’s RIA Insider’s Advisory Board. RPA may recommend investment products, such as American Funds or Private Client Solutions from Capital Group to its clients which creates a potential conflict of interest. To mitigate this conflict, Mr. Miscinski is an uncompensated member of the RIA Advisory Board and as stated

previously in Item 5, RPA does not share in fees or commissions charged on investments it recommends.

Philip Steele of RPA serves on the Schwab Trust and Custody Advisory Board (the “Trust and Custody Board”). As described under Item 12 of this Form ADV, RPA or its affiliates may recommend that clients, including employee benefit plan sponsor clients, establish brokerage accounts with certain qualified custodians, which may include Schwab, to maintain custody of the clients’ assets and effect trades for their accounts. Further, Charles Schwab Bank may also serve as directed trustee for an employee benefit plan’s assets. The Trust and Custody Board consists of approximately 21 representatives of independent investment advisory or independent recordkeeping firms who have been invited by Schwab management to participate in meetings and discussions of Schwab services for independent investment advisory and/or recordkeeping firms and their employee benefit plan sponsor clients. Mr. Steele’s term ends April 2021. Trust and Custody Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Trust and Custody Board members’ travel, lodging, meals and other incidental expenses incurred in attending Trust and Custody Board meetings.

Additional RPA employees serve on the advisory boards of several investment companies, Franklin Templeton and PIMCO Asset Management, as well as several plan administrators, Empower Retirement, Lincoln Financial Group, and John Hancock. As described in Item 4 of this Form ADV, RPA recommends to Clients both investment companies, also known as mutual funds, and plan administrators as part of its ERISA Fiduciary and Non- Fiduciary Services which creates a potential conflict of interest. To mitigate this conflict, RPA employees are not compensated for their time serving on their respective advisory boards, but the investment companies and plan administrators will pay for or reimburse RPA employees’ travel, lodging, meals and other incidental expenses incurred in attending these advisory board meetings. As previously stated in Item 5, RPA does not receive compensation from investment companies and plan administrators.

John Hyman of Cerity Partners serves on the Legg Mason Client Solutions Advisory Board. Although Mr. Hyman is not paid for his Advisory Board service, he is reimbursed for reasonable travel expenses, and generally attends a Legg Mason sponsored Advisory Board dinner. Cerity Partners and its affiliates have purchased in the past and could purchase in the future, if and when it deems appropriate, Legg Mason mutual funds, separately managed accounts or other investment offerings for client accounts or Private Investment Vehicles. Because of Mr. Hyman’s service on the Advisory Board, a conflict of interest exists. Accordingly, RPA and its affiliates will only invest in Legg Mason investments for advisory clients only when the Investment Committee has determined that the Legg Mason investment meets the standards and criteria that would warrant the Focus List.

## **Item 11 – Code of Ethics**

RPA has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws. All supervised persons at RPA must acknowledge the terms of the Code of Ethics annually, or when it is amended. In accordance with Section 204A-1 of the Advisers Act, the Code of Ethics includes provisions relating to the confidentiality of information, a prohibition on insider trading, and personal securities trading procedures.

LY Fund IV has an ownership interest in RPA through its indirect investment in Cerity Partners. However, Lightyear, LY Fund IV, and their affiliates do not have any role in RPA's investment process related to the management of client assets. In connection with the indirect investment in Cerity Partners by LY Fund IV, an information barrier policy has been adopted by Cerity Partners and Lightyear to protect Cerity Partners and its subsidiaries, its personnel and advisory clients (i.e., individual and institutional managed accounts and other similar vehicles or arrangements), on the one hand, and Lightyear and its affiliates, on the other hand, from being exposed to or deemed to possess proprietary information or material, non-public information relating to the other parties' respective activities or investments, including information about specific issuers or trades and positions in commodity interests.

Copies of the RPA's Code of Ethics are available by contacting Stuart Evans at (212) 850-4284 or [sevens@ceritypartners.com](mailto:sevens@ceritypartners.com).

RPA anticipates that it will recommend, in appropriate circumstances and consistent with plan objectives, the purchase or sale of securities in which it or an affiliate (including individual employees) have a position. RPA, its employees and persons associated with RPA are required to follow RPA's Code of Ethics in these circumstances. The Code of Ethics is designed to prevent the personal securities transactions, activities and interests of the employees of RPA from harming the interests of RPA clients. Accordingly, the Code of Ethics prohibits RPA, its affiliates and its employees from trading in any security that RPA is recommending until RPA either executes the trade or decides not to trade. However, RPA, its affiliates and its employees may trade in the same securities as Plan assets on an aggregated basis when consistent with RPA's obligation of best execution. In these circumstances, the affiliated and plan accounts will share costs equally and receive securities at a total average price. RPA will retain records of the trade order and its allocation. Completed orders will be allocated as specified in the initial trade order. RPA will allocate partially filled orders on a pro rata basis. Employee and affiliate trading is continually monitored under the Code of Ethics in order to reasonably ensure compliance.



## Item 12 – Brokerage Practices

While RPA will not typically recommend a custodian or broker-dealer to the plan sponsors, if the plan sponsors request a recommendation, the following are the factors RPA will consider in recommending a custodian or broker-dealer.

### *Factors in Selecting or Recommending a Custodian or Broker-Dealer*

RPA considers the financial strength, reputation, execution, pricing, research, service, and performance when selecting or recommending a broker-dealer, custodian, or third-party managers for its clients.

### Research and Other Economic Benefits

Consistent with obtaining best execution, RPA may recommend that plans use the brokerage and custody services of certain broker-dealers with which an affiliate of RPA has entered services agreements. Under these services agreements RPA's affiliates may receive cash credits toward research (including evaluations of securities and portfolio managers) and portfolio management and business support tools (including portfolio management software and trading tools) in exchange for recommending the broker-dealer to clients and provided a certain amount of client assets remain at the broker-dealer for custody services.

RPA will generally use the research and portfolio management tools that its affiliate may receive to service all clients. Such service agreements are a conflict of interest because RPA receives benefits that aid in its business operations without having to pay for them. Accordingly, RPA may have an incentive to recommend to clients a broker-dealer based on that broker-dealers willingness to provide benefits to RPA's affiliate pursuant to a service agreement, rather than on the client's interest in receiving best trade execution.

RPA may accept sponsorship of client or prospect events and employee training programs from certain third-party managers that it recommends to clients; however it does not accept any direct payments from any third-party managers for recommending their investment products. This creates a conflict because it may give RPA an incentive to recommend managers willing to sponsor RPA's events. RPA has policies and procedures in place to ensure its recommended managers meet its investment guidelines regardless of their willingness to participate in sponsoring such events.

### Directed Brokerage Permitted

RPA allows clients to direct the use a particular broker-dealer and/or custodian to execute some or all transactions for their accounts. Where the client elects to direct a broker-dealer or custodian, the client will be responsible to negotiate terms and arrangements for the account with that broker-dealer or custodian. RPA will not seek better execution services or prices from other broker-dealers or custodians.

## **Item 13 – Review of Accounts**

### *Account Reviews*

RPA continuously monitors Retirement Plans to ensure compliance with the plan guidelines and direction of the plan sponsors. RPA investment professionals review all Retirement Plan accounts on a quarterly basis to assess the past quarter's investment performance, manager recommendations, portfolio risk, opportunities to rebalance, and the overall effectiveness of the risk-based models. On an annual basis, the investment committee formally reviews all Retirement Plan investment accounts. RPA shall contact all plan sponsors at least annually to review its previous services and/or recommendations, and to discuss the impact resulting from any changes in the market conditions and/or plan objectives.

### *Reporting*

The broker-dealer, custodian or plan administrator of the Retirement Plan provides the plan sponsors with transaction confirmation notices and regular summary account statements independent of RPA. RPA will also provide a written report to plan sponsors that may include such relevant account and/or market-related information such as an inventory of plan holdings and plan and/or risk-based model performance on a quarterly basis.

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

RPA may make or receive referrals to both affiliated and unaffiliated third parties and in doing so may pay or accept referral fees consistent with Rule 206(4)-3 of the Investment Advisers Act of 1940 and Section 406(a) of the ERISA.

RPA will pay any referral fee solely from its fee. RPA will not increase the client's fee nor impose any additional charge on the client. If the client is introduced to RPA by an unaffiliated party, the client will be provided with a copy of RPA's Brochure and a copy of a disclosure statement containing the terms and conditions of the referral arrangement including compensation. Any affiliated party of RPA making a referral will disclose the nature of the affiliation to the prospective client at the time of the referral and all prospective clients will be provided with a copy of RPA's Brochure.

A client may engage certain individuals employed by RPA (but not the RPA entity) to provide securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through certain of RPA's employees, in their respective individual capacities as registered representatives of an unaffiliated SEC registered broker-dealer ("BD") and member of the FINRA.

## **Item 15 – Custody**

RPA does not take physical possession or custody of client assets.

## **Item 16 – Investment Discretion**

RPA typically receives discretionary authority from the Retirement Plan to select and replace the investment options in the plan. Where a plan participant has elected automatic rebalancing RPA will periodically rebalance the plan participant's plan account. RPA only exercises its investment discretion consistent with the plan documents and a plan participant's investment model election.

## **Item 17 – Voting Client Securities**

RPA does not vote proxies on behalf of Retirement Plans or plan participants.

## **Item 18 – Financial Information**

The SEC, in certain circumstances, requires a registered investment adviser to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. RPA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.