

## Part 2A of Form ADV: Firm Brochure



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This brochure provides information about the qualifications and business practices of Prime Buchholz LLC (“Prime Buchholz” or the “Firm”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer and General Counsel, Marcia S. Kovalik, at 603-433-1143 or email us at [compliance@primebuchholz.com](mailto:compliance@primebuchholz.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.

Prime Buchholz is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Prime Buchholz is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our Firm’s CRD number is 106455.

## **ITEM 2 MATERIAL CHANGES**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to the Prime Buchholz brochure, we will notify you and provide you with a copy of the material changes. This brochure, dated March 26, 2021, replaces the previous Prime Buchholz brochure dated March 27, 2020. There have been no material changes to the brochure since its last annual updating amendment on March 27, 2020.

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## ITEM 4 ADVISORY BUSINESS

Prime Buchholz is an SEC-registered investment adviser with its principal place of business located in Portsmouth, New Hampshire. Prime Buchholz began conducting business in 1988.

The Firm's principal owner (i.e., those individuals and/or entities controlling 25% or more of this company) is William McCarron, President. The President and a number of other senior members of Prime Buchholz own 100% of the Firm.

### Advisory Services

Prime Buchholz is an independently owned and operated investment advisory firm. The Firm offers the following advisory services to its institutional and high net worth clients:

#### *Comprehensive Investment Consulting*

The Firm provides comprehensive investment consulting services on a non-discretionary basis to assist each client in reaching its own investment decision. While the Firm does make investment recommendations, clients retain all authority and discretion over investment decisions. Clients also retain full responsibility for ensuring the accuracy and completeness of all documents and communications they submit to investment managers and other service providers and authority to direct the transfer or movement of assets within their accounts. Clients are responsible for informing us of any changes in information in the client's circumstances that may affect the services we provide.

#### *Outsourced Investment Solutions*

Prime Buchholz's flexible Outsourced Investment Solutions can be tailored to meet a client's oversight/decision making needs. Functioning as an outsourced investment staff, Prime Buchholz streamlines the investment decision-making and implementation processes to reduce the burden on our clients. Our Outsourced Investment Solutions are available on either a discretionary or non-discretionary basis. Our clients' objectives are paramount and we seek to fully understand each client's full financial picture in an effort to meaningfully develop a top-tier investment program.

Customized services are mutually agreed upon by Prime Buchholz and the client in the investment advisory agreement. Clients may impose reasonable restrictions on investing in certain types of investments.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Prime Buchholz provides investment recommendations and/or management to its clients with respect to products managed by other investment managers. Recommendations may relate to investments in mutual funds, hedge funds, private equity vehicles, commingled trusts, separate accounts, exchange-traded funds ("ETFs"), and interests in partnerships that invest in real estate, gas, oil, and other commodities.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity needs, and suitability.

Since Prime Buchholz clients' assets under advisement are invested with other investment managers, clients should refer to the selected investment manager's firm brochure or other disclosure document for a full description of the services offered. If a client's assets are invested with an investment manager in a separate account, we provide the selected manager(s) with the client's IPS. The manager(s) then creates and manages the client's portfolio based on the client's individual needs as defined in the IPS. Prime Buchholz monitors the manager's compliance with the client's investment guidelines.

### *Regulatory Assets Under Management*

As of December 31, 2020, Prime Buchholz had regulatory assets under management of \$6.9 billion, of which \$2.7 billion was managed on a discretionary basis and \$4.2 billion was managed on a non-discretionary basis.

In addition to its regulatory assets under management, Prime Buchholz provides a range of consulting and/or reporting services to clients, representing nearly \$58.4 billion in assets as of December 31, 2020.

## **ITEM 5 FEES AND COMPENSATION**

Clients typically pay Prime Buchholz an annual fee for its services, that is based upon a percentage of assets under advisement or management. Clients also may retain us on a project basis. Clients are invoiced in advance at the beginning of each calendar quarter based upon the market value (plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. However, depending on the market value of a client's account, the minimum fee may apply. Fees are paid in advance in quarterly installments.

Prime Buchholz's representative fees are as follows:

### **Comprehensive Investment Consulting**

Our Comprehensive Investment Consulting fees are charged as a percentage of assets under advisement by Prime Buchholz. Fees range from 0.06% to 0.40% of assets under advisement, depending on the size and type of each client, nature and complexity of each client's circumstances, and upon mutual agreement with the client. Clients are generally subject to a minimum annual fee.

### **Outsourced Investment Solutions**

Fees for Prime Buchholz's Outsourced Investment Solutions are charged as a percentage of assets under advisement or management by our Firm. Fees range from 0.08% to 0.50% of assets under advisement or management, depending on the level of service provided, nature and complexity of each client's circumstances, and upon mutual agreement with the client. Clients are generally subject to a minimum annual fee.

#### *Limited Negotiability of Advisory Fees*

Although Prime Buchholz has established the previously described fee schedules, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under advisement/management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the agreement between Prime Buchholz and each client.

We may group certain related client accounts for the purposes of determining the annualized fee.

Minimum fees may prevent Prime Buchholz from providing services to very small clients.

#### *Termination of the Advisory Relationship*

Our standard agreements provide that either party may terminate an agreement, at any time, for any reason upon receipt of thirty (30) days written notice. As disclosed previously, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

### *Underlying Investment Manager Fees*

All fees paid to Prime Buchholz for investment advisory services are separate and distinct from the fees and expenses charged by the underlying managers of the investment vehicles (“funds”) in which the client is invested. These fees and expenses are described in each fund’s offering documents. These fees will generally include a management fee, other fund expenses, and a possible distribution fee (mutual funds and ETFs). In some cases, the manager may also charge a performance-based fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a fund directly, without our services. In that case, the client would not receive the services we provide. Therefore, the client should review both the fees charged by the funds and our fees to fully understand total fees in context with the level of advisory services being provided.

### *Additional Fees and Expenses*

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client’s account(s). Please refer to the “Brokerage Practices” section (Item 12) of this Form ADV for additional information.

### *Grandfathering*

Some pre-existing advisory clients are subject to the advisory fees that were in effect at the time they entered into the advisory relationship with us. Therefore, our fees may differ among clients.

### *ERISA Accounts*

Prime Buchholz may be deemed to be a fiduciary to certain advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (“ERISA”), and regulations under the Internal Revenue Code of 1986 (the “Code”), respectively. As such, our Firm is subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Prime Buchholz may only charge fees for investment advice about products for which our Firm and/or our related persons do not receive any commissions or 12b-1 fees. While permitted to provide investment advice about products for which our Firm and/or our related persons receive commissions or 12b-1 fees when such fees are used to offset Prime Buchholz’s advisory fees, Prime Buchholz currently does not engage in this practice.

### *Advisory Fees in General*

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

### *Limited Prepayment of Fees*

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **Performance-Based Fees**

Prime Buchholz does not charge performance-based fees.

### **Side-By-Side Management**

Prime Buchholz provides both discretionary and non-discretionary services. Prime Buchholz may execute trades for discretionary client accounts prior to the time that it takes non-discretionary clients to act on the same investment advice. As stated in Item 8 below, due to our custom approach and the unique objectives and requirements of our clients, a manager recommended to one client may not be recommended to another client and clients may receive differing advice. Discretionary clients may receive advice that is different from other discretionary clients and/or non-discretionary clients or the timing of advice received by clients may be different.

## **ITEM 7 TYPES OF CLIENTS**

Prime Buchholz provides advisory services to the following types of clients:

- Charitable organizations
- High net worth individuals and families
- Pension and profit-sharing plans (other than plan participants)
- Corporations or other businesses not listed above
- State or municipal government entities

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

### **Fundamental and Qualitative Analysis**

#### *Investment Manager Analysis*

Our manager due diligence and selection process is designed to identify recommended investment managers for each asset class. We evaluate and regularly monitor managers and capital markets to identify and recommend investment opportunities for the Firm's clients.

The manager due diligence process may include universe screens, performance and portfolio characteristic analysis, personnel interviews, office visits, reference calls, analysis of historical portfolio characteristics, review of press releases, news articles, periodicals, investment manager websites and industry publications, discussions with industry contacts, terms and documentation review, including, but not limited to, offering documents, financial statements, regulatory filings, partnership agreements, and declarations of trust.

Attributes examined in the selection process may include:

- Stability and consistency of investment process
- Appropriateness of manager's investment philosophy
- Current and historical portfolio characteristics
- Portfolio investment guidelines
- Risk management policies and procedures
- Client references
- Depth and breadth of investment team
- Personnel turnover
- Growth of business



- Performance analysis versus peer universes and applicable benchmarks
- Source of historical performance (attribution)
- Firm ownership and structure

Prime Buchholz maintains a database that contains relevant representative portfolio characteristics for investments monitored closely. The portfolio characteristics tracked may differ by asset class, but are generally focused on documenting exposures and strategies employed. Other pertinent data is tracked, such as assets under management, fees, and investment minimums. The Firm neither directly nor indirectly charges investment managers for inclusion in the database.

We may also utilize a variety of subscription databases to supplement the information residing in our internal database.

We seek to recommend managers that meet the client requirements in terms of investment strategy, allocation amounts, tolerance for return volatility, and other factors and maintain a list of recommended managers. At times and for client-specific reasons, we may include managers in client materials that are not on our recommended list of managers. Due to the custom approach and the unique objectives and requirements of our clients, a manager recommended to one client may or may not be recommended to another Prime Buchholz client and clients may receive differing advice.

We monitor recommended managers in an effort to ensure they are still categorized appropriately and there have been no material changes that would necessitate a recommendation change. Differing levels of ongoing monitoring are applied to managers or products that are not broadly recommended, but are deemed suitable for a limited number of clients for client-specific reasons. On occasion, Prime Buchholz may identify concerns regarding a manager that warrant a change in its recommendation. In some instances, downgraded managers may still be recommended for a client or clients if, in the opinion of the consultant, the manager or its product is deemed appropriate for the client. Manager downgrades of recommended managers are typically communicated to affected clients in their next quarterly reports. In some instances, when the Firm deems it appropriate under the circumstances, manager downgrades may be communicated to clients prior to the client's next quarterly report.

Clients may, at times, invest in managers or products that are not recommended by Prime Buchholz. The level of due diligence and monitoring of managers that have not been recommended by the Firm is less rigorous than the processes applied to recommended managers. Reports provided to clients regarding managers that have not been recommended by the Firm are for informational purposes only and are not intended as an endorsement by Prime Buchholz of the managers or products discussed. Monitoring investment performance and any changes in a manager's investment team, investment philosophy, or processes may be in certain instances based solely on the investment manager's quarterly letter, information available on their public website, or based on the data provided by the manager. For those non-recommended investment managers with less than an aggregate of \$2 million across all Firm clients' accounts and included in three or less clients' accounts, we monitor performance only. We do not engage in any ongoing dialogue with those managers or use any publicly available information to assess or reaffirm the Prime Buchholz internal product rating, nor do we prepare quarterly manager commentary for them.

A risk of investing with an investment manager who has been successful in the past is that the manager may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Furthermore, since we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

We do not control the underlying investments in an investment vehicle, therefore, managers of different vehicles held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. This can impact a portfolio managed by a third-party investment manager.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

### *Asset Allocation*

In addition to focusing on manager selection, we attempt to identify an appropriate ratio of asset types—equities, fixed income, other investments and cash suitable to the client's investment goals, risk tolerance, and other requirements.

The Prime Buchholz asset allocation model is a tool designed to help clients in the evaluation and development of long-term investment and spending policies for their investment programs. Prime Buchholz develops a series of potential model portfolios for client representatives to review. However, no asset allocation model can replicate the same experience for any given investor and clients' results may differ materially from the results portrayed or from the results of other similarly situated clients. The Prime Buchholz asset allocation model results should only be used as a guide—rather than a specific investment program simulation—as a part of a broader discussion to establish client policies. Prime Buchholz relies on the client to provide complete and accurate information regarding the client's specific risk/return/spending profile for the model. Prime Buchholz considers the goals and objectives set forth in the client's IPS and seeks to build portfolios that will succeed over time. As a result, there may be a broad range of different provisions within investment policy statements that result in a variety of recommended policy portfolios across the client base.

Prime Buchholz employs quantitative modeling of various asset allocation mixes to help the client determine which asset mix will best fulfill the client's needs, consistent with the desired level of risk. The Firm's asset allocation modeling generally uses both historical and prospective returns, standard deviations, and correlations of asset classes. We use a third-party computer model that considers possible combinations of asset classes and selects those combinations that provide the expected highest level of return for a given level of risk. A historical perspective is provided for each candidate portfolio typically over a minimum of the last 25 years. Individual asset classes may be constrained or excluded at a client's request. Prime Buchholz does not guarantee the accuracy of the data used. Model results are based upon total return and reflect the reinvestment of dividends and distributions. Result simulations are portrayed in nominal and real terms. They are also net of management fees and other expenses, but gross of investment consulting fees an investor would pay, which would lower results. Hypothetical performance is not an indication of future results.

Prime Buchholz return assumptions are based on analysis of the historical real return and risk premia for each asset class. In addition, the Firm looks at the current interest rate/inflation environment and market valuations across a broad spectrum of asset classes. The Firm's risk forecasts are based on long-term standard deviations and volatility trends, as well as a fundamental understanding of the relationships that should exist between certain asset classes. Correlations between the asset classes are based on historical measures. These estimates cannot predict the impact of future market conditions that could have a significant negative impact on the reliability of hypothetical performance presented. It does not represent actual performance, nor does it reflect actual trading in a client portfolio or the management of a model portfolio on a current basis.

The asset allocation profile of the client is monitored periodically (typically monthly and quarterly) and rebalancing is typically recommended when an asset allocation moves outside its allowable range. Rebalancing criteria varies by client because each client specifies its own permissible range of investment exposure. If rebalancing is recommended, we develop a rebalancing schedule (for client consideration in the case of a non-discretionary account) to bring the allocation back into compliance with the client's allowable range.

A risk of static asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

#### *Mutual Fund and/or ETF Analysis*

We look at the experience and track record of the mutual fund or ETF manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We typically examine the underlying assets in a mutual fund or ETF with the intent to identify if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an effort to confirm they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

#### *Risks for All Forms of Analysis*

Our analysis methods rely on the assumption that the companies whose securities are bought and sold by investment managers, the rating agencies that review these securities, and other publicly available sources of information about these securities as well as the investment managers we recommend or select, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

#### *Long-term Purchases*

We use a long-term purchases strategy in managing client accounts—meaning we recommend and purchase investment vehicles with the idea of holding them in the client's account for a year or longer.

We employ this strategy provided that it is appropriate to the needs and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

For client accounts over which we may have discretion, Prime Buchholz delegates security selection and day-to-day management to other investment managers that it selects, monitors, and oversees. The strategies implemented by these investment managers will vary and are described in the offering documents for the applicable investment vehicle.

### *Risk of Loss*

A risk in a long-term purchase strategy is that by holding the investment for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our recommendations or evaluations are incorrect, an investment may decline sharply in value before we make the recommendation or decision to sell.

Securities investments are not guaranteed and you may lose money on your investment.

## **ITEM 9 DISCIPLINARY INFORMATION**

We are required to disclose any legal or disciplinary events that are material to a client's (or prospective client's) evaluation of our advisory business or the integrity of our management.

Our Firm and our management personnel have no reportable disciplinary events to disclose.

## **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Our Firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING**

### **Code of Ethics**

Our Firm has adopted a Code of Ethics that sets forth high ethical standards of business conduct, which we require of our employees, including compliance with applicable federal securities laws.

Prime Buchholz and our personnel owe a duty of loyalty, fairness, and good faith toward our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports, as well as initial and annual securities holdings reports that must be submitted by the Firm's employees. Among other things, our Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

Prime Buchholz's Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [compliance@primebuchholz.com](mailto:compliance@primebuchholz.com), or by calling us at 603-433-1143.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients; and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our Firm and/or individuals associated with our Firm may buy or sell for their personal accounts investments identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain investment which may also be recommended to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our Firm's Code of Ethics, to ensure Prime Buchholz

complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of Prime Buchholz may put his or her own interest above the interest of an advisory client.
- No principal or employee of our Firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information that would violate insider trading rules or regulations.
- Our Firm requires prior approval for any IPO or private placement investments by related persons of Prime Buchholz.
- We maintain a list of all reportable securities holdings for our Firm (if applicable) and all employees. These holdings are reviewed on a regular basis by our Chief Compliance Officer or her designee.
- We have established procedures for the maintenance of all required books and records.
- All of our principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each employee of our Firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any employee who violates any of the above restrictions may be subject to termination.
- Employees may report potential misconduct to the Chief Compliance Officer by submitting anonymous reports that are designed to protect their confidentiality and prevent retaliation.

### **Participation or Interest in Client Transactions**

The Firm may purchase or sell securities for itself that it also recommends to, or purchases for, clients. The Prime Buchholz 401(k)/profit-sharing plan may include investment products that are recommended to, or purchased for, clients. In addition, Prime Buchholz employees may purchase and sell securities for their own accounts that are also recommended to/purchased for clients, subject to the Firm's Code of Ethics. All Prime Buchholz employees are also subject to the Firm's Insider Trading Policy (contained within the Prime Buchholz Code of Ethics), which prohibits the use of material non-public information.

The Firm provides investment advice to the Prime Buchholz 401(k)/profit-sharing plan. The recommendations or investment decisions that Prime Buchholz makes for clients may be different from the investment decisions regarding investment products made by consultants providing advice to the Prime Buchholz 401(k)/profit-sharing plan.

Prime Buchholz employees may serve on client investment committees or in other client-related positions of influence. Prime Buchholz employees may have relatives that are employed by or have ownership interests in investment management firms or may have been previously employed by firms recommended by Prime Buchholz.

Clients may have an inherent conflict of interest when investment management firm personnel serve on their investment committees or in other client-related positions of influence if the client invests in that investment manager's products. For Prime Buchholz clients with investment management personnel on their investment committees or acting in some other client-related position of influence, Prime Buchholz may not make the same recommendations for that client with respect to that investment manager that it makes for other clients. Employees of Prime Buchholz-recommended managers may serve on Prime

Buchholz client investment committees or boards and may have influence regarding client retention of Prime Buchholz.

## **ITEM 12 BROKERAGE PRACTICES**

Prime Buchholz is not a broker-dealer, but the Firm may suggest certain institutional broker-dealers for use by our clients. These broker-dealers would affect securities transactions for a portion of trades in client accounts, providing competitive price and execution. Prior to suggesting an institutional brokerage firm, Prime Buchholz will consider the broker's history, references, client relationships, commission rates, conversion rates, and execution abilities. At the request of clients, Prime Buchholz will identify institutional brokerage firms that implement commission recapture programs. While Prime Buchholz will provide clients with a list of brokers that offer commission recapture programs, the client retains sole authority to determine whether to utilize such a program, which brokers to select, and whether to direct brokerage. In addition, a client's decision to utilize a commission recapture program is subject to the investment manager's willingness to accept the client's direction of brokerage. Prime Buchholz does not receive any fees, commissions, or other benefits when it suggests brokers to clients.

Prime Buchholz does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Prime Buchholz may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Prime Buchholz is independently owned and operated and is not affiliated with Schwab.

Schwab provides Prime Buchholz with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our Firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our Firm other services that benefit Prime Buchholz but may not directly benefit our clients' accounts. These products are used to service our client accounts maintained at Schwab. Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements); and
- Facilitate trade execution

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Prime Buchholz. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our Firm. In evaluating whether to recommend that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The Firm may place non-discretionary trades for a limited number of consulting clients invested in mutual funds held through the Schwab platform pursuant to a limited power of attorney. Mutual fund transactions are executed by Prime Buchholz through the Schwab platform only after receiving specific direction in writing from the client regarding the timing and the amount of the transaction. We do not currently promote or offer these services to new clients. Outside of the full retainer fee, Prime Buchholz currently does not charge additional fees or derive any other income for providing these services to clients. In addition, we do not receive any fees, commissions, or other compensation from Schwab or any other broker.

Prime Buchholz and its clients may receive benefits from custodians used to implement client transactions. Depending on the custodian, these benefits may include receipt of duplicate client confirmation and account statements, and access to an electronic communication network for client account information.

As a matter of policy and practice, Prime Buchholz does not execute or direct trading on individual securities. Therefore, we do not and cannot aggregate client trades. Consequently, certain client investments may be executed before others or at a different price. Additionally, our clients may not receive volume discounts available to advisers who aggregate client trades.

At times, investment managers may offer limited capacity commitments for their products or investment vehicles. Despite the Firm's best efforts to gain access to non-marketable investment products for clients that seek exposure to limited capacity or privately offered products, Prime Buchholz cannot guarantee that all clients will have access to these investment management products. Typically, investment managers of recommended products will select the specific clients or types of clients that will be permitted to invest in their product offerings. At times investment managers may designate a pooled capacity to Prime Buchholz and request that our Firm allocate to clients.

Prime Buchholz has adopted a clear written policy for the allocation of these types of limited investment opportunities. When interest in a limited investment opportunity exceeds capacity, the Firm will first allocate to clients that are pre-existing investors of the manager that is offering the limited opportunity on a pro-rata basis. Any remaining capacity will then be allocated to Prime Buchholz's other clients on a pro rata basis. Prime Buchholz may not allocate investment opportunities, in whole or in part, to certain accounts when one or more of the following exceptions apply:

- Investment is not suitable for the account due to client-specific objectives, restrictions, or risk characteristics;
- Investment does not meet the client's investment profile due to the client's spending requirements, liquidity needs, or indications of preferred types of investment vehicles;
- Regulatory issues prohibit allocation to a client account;
- Portfolio composition of the account at the time of the opportunity does not justify the allocation;
- Allocation is not appropriate based upon tax considerations;
- Account is not eligible for the opportunity based upon the restrictions on the types of permissible investors for the investment opportunity per the investment manager;
- Allocation would not meet the minimums determined by the investment manager;
- Allocation would not meet a client's diversification or strategy guidelines or it would exceed a client's concentration limits;
- Client chooses not to follow the recommendation of Prime Buchholz to invest in the opportunity or to invest to the extent recommended by Prime Buchholz; or

- Client's governance structure may prevent it from approving the limited investment opportunity for its account within the time parameters set by the investment manager.

### **ITEM 13 REVIEW OF ACCOUNTS**

Client accounts typically are reviewed monthly, unless a client has contracted for a different frequency of reviews at the inception of the advisory relationship.

Accounts are reviewed in the context of each client's investment objectives and restrictions. In addition to the monthly statements and confirmations of transactions that clients receive from their investment managers, custodians, and/or brokers, we provide monthly and quarterly reports summarizing account performance, balances and holdings, asset allocation, and any investment recommendations to the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market, political, or economic environment.

Prime Buchholz urges clients to assess their IPS annually or whenever the client advises us of a change in circumstances regarding the needs or objectives of the client's assets. Accounts are reviewed by the client's principal/consultant, investment analyst, and performance analyst each quarter. Discretionary accounts will also be reviewed monthly by the Prime Buchholz Investment Committee.

### **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

Prime Buchholz's policy is not to engage solicitors or to pay related or non-related persons for referring potential clients to our Firm.

It is also our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### **ITEM 15 CUSTODY**

The Firm may, at a client's direction, bill the client's custodian directly for our fees. In addition to the periodic statements that clients receive directly from their custodians, we will also send clients the reports described in Item 13 above. We urge clients to carefully review their custodian statements and compare the amounts on the custodian statements with our bills and the fee schedules that are outlined in each client's agreement with our Firm.

Our Firm does not have actual or constructive custody of client accounts that would require us to have an annual surprise audit in accordance with the requirements of the Advisers Act.

### **ITEM 16 INVESTMENT DISCRETION**

Clients may hire us to provide discretionary advisory services, in which case we would execute transactions for a client without contacting the client prior to each transaction to obtain their permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the investment vehicle to buy or sell; and/or
- Determine the amount of the investment vehicle to buy or sell.

Clients give us discretionary authority when they sign a discretionary agreement with our Firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.



## **ITEM 17 VOTING CLIENT SECURITIES**

As a matter of Firm policy, we do not vote proxies on behalf of clients. Therefore, although Prime Buchholz may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted; and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions.

## **ITEM 18 FINANCIAL INFORMATION**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Advisory firms that maintain discretionary authority for client accounts are also required to disclose any financial condition that is reasonably likely to impair their ability to meet their contractual obligations. Prime Buchholz has no additional financial circumstances to report.

Prime Buchholz has not been the subject of a bankruptcy petition at any time since inception.