

**Item 1 – Cover Page**

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Form ADV, Part 2A; our “Disclosure Brochure” or “Brochure” as required by the Investment Advisers Act of 1940 is a very important document between our clients and Retirement Income Solutions, Inc., referred to as RIS throughout this Brochure.

*This Brochure provides information about the qualifications and business practices of RIS. If you have any questions about the contents of the Brochure, please contact us at 734-769-7727 and/or [ris@risadvisory.com](mailto:ris@risadvisory.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.*

*Additional information about RIS is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (click on the link, select “investment adviser firm” and type in our firm name). You can also search this site by a unique identifying number known as a CRD. The CRD number for RIS is 110145. Results will provide you both Part 1 and 2A of our Form ADV.*

RIS is a “fee only” Registered Investment Adviser with the SEC. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications provided, including this Brochure, are information to be used to evaluate RIS (and other advisers).

## **Item 2 – Material Changes**

This is an annual update of Form ADV, Part 2A for Retirement Income Solutions, Inc. There have been no material changes since our last annual updating amendment on March 26, 2020.

RIS has added an additional investment opportunity for certain client strategies under Item 8. In addition, RIS has updated the fixed fee range for Retirement and Financial Planning Fees under Item 5.

RIS can, at any time, update this Brochure and either send you a copy or send you a Summary of Material Changes with an offer to send you a full copy of this Brochure.

You can request a copy of RIS's Brochure, free of charge, by contacting our Chief Compliance Officer, John B. Goff at 800-360-1953 or email to [ris@risadvisory.com](mailto:ris@risadvisory.com) or you can download it from the SEC's public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Item 4 – Advisory Business**

### **The Firm**

RIS was started in 1992 and became a corporation formed under the laws of the State of Michigan in 1993. In 2009, RIS merged with IFSG Planning Associates, Ltd. and Pattern Recognition Management, Inc. Each was a State-registered investment adviser owned separately by RIS's original two principals, K. Larry Hastie and R. Griffith McDonald. The two merged firms had been in business since 1982 and 1990, respectively. RIS has been registered with the SEC since 2010.

RIS's current principal owners are Brock E. Hastie, H. Todd Kephart, John B. Goff and Karen A. Chapell. Each serve as a Managing Partner of RIS. Currently, ten individuals associated with RIS provide its investment advisory services. Where applicable, these individuals are appropriately state-licensed, qualified and authorized to provide advisory services on behalf of RIS. Such individuals are known as Investment Adviser Representatives ("IARs").

RIS provides its investment advisory services using Active Management which could include the Seasonal Strategy. On a periodic basis, RIS conducts a formal review and re-allocates assets when deemed necessary. RIS exercises discretionary trading authority, as described in Item 16 to direct the purchases, sales redemptions, liquidations and disposition of securities. Using that authority, we can also exchange/modify "core equities" or "core fixed income and non-equities" in a portfolio at any time, as deemed necessary. The strategies used by RIS for each client are set forth in the client's Investment Policy Statement. Investment advisory services are provided through accounts established at Pershing Advisor Solutions, LLC ("Pershing"), a subsidiary of The Bank of New York Mellon Corporation, member FINRA/SIPC, SEI Private Trust Company ("SEI"), TIAA, Fidelity Investments ("Fidelity") or other custodians.

### **Asset Management and Review**

RIS offers Asset Management and Review services where the investment advice provided is custom tailored to meet the needs and investment objectives of our clients. We use the custodial, trading, reporting and other services of Pershing and SEI to facilitate our Asset Management and Review services to our clients. Whether client assets are held at Pershing or SEI, RIS follows a six-step process when managing our client accounts:

- 1. Determine the client's risk profile and investment objectives.** RIS determines the client's investment objectives, investment time horizon, risk profile and other personal characteristics by means of an interview process that may involve the completion of a questionnaire.
- 2. Set a relevant Investment Policy for the client.** RIS uses the information from Step 1 to develop the client's Investment Policy Statement that determines the range; high (fully invested) and low (defensive) equity positions.

- 3. Make initial asset allocation recommendations.** RIS uses the mutual funds and other investments available at Pershing or SEI to create a broadly-diversified portfolio that includes many asset classes and investment styles. At SEI, RIS can use its basic portfolio models or customize them to meet the needs of clients. Initially, RIS recommends changes in the client's investments, investment strategy, investment allocation, or financial plan, either verbally or in writing. RIS may give recommendations in connection with the review of a client's current investments or a client's expressed financial needs or objectives.
- 4. Rebalance or change the client's portfolio.** RIS uses its discretionary trading authority and Seasonal Strategy to make substantial rebalancing changes in clients' holdings, generally twice a year, to take advantage of patterns we have observed in financial markets. RIS also makes other changes in clients' portfolios as market conditions, mutual fund characteristics or other factors warrant.
- 5. Review the performance of clients' investments.** RIS periodically reviews accounts in light of each client's stated financial goals, investment objectives, risk tolerance, other personal characteristics, and in the context of other investment portfolios under RIS's supervision. (See Item 13).
- 6. Report results.** RIS provides regular reports on the current status and performance of clients' holdings and benchmarks as provided in the Agreement. Pershing and SEI provide separate reports showing holdings, cash flow, transactions and asset allocation and provide annual tax reports for taxable accounts. SEI also provides a separate report showing market value, cash flows, gains and losses, asset allocation and performance as it relates to market indices.

As of December 31, 2020, RIS had \$2,130,783,499 in assets under discretionary management and none under non-discretionary management.

#### **Asset Monitoring and Review**

RIS offers Asset Monitoring and Review services for clients' retirement accounts (including IRAs, 401a, 401k, 457 and 403b accounts) maintained with the client's employer and/or held at independent custodians, including TIAA and Fidelity. RIS may also offer this service to non-retirement client accounts. RIS may recommend an initial asset allocation based upon the client's stated financial goals, investment objectives, risk tolerance, other personal characteristics, and other investment portfolios under RIS's supervision. RIS then periodically monitors and makes changes to clients' assets in the frequency RIS deems appropriate, including using RIS's Seasonal Strategy. RIS also provides account quarterly performance reports or arranges for the account's custodian to do so.

### **Selection of Other Advisers**

RIS may refer its clients to various third-party advisers (“TPAs”) for asset management services. All TPAs to whom RIS refers clients must be registered investment advisers with the U.S. Securities and Exchange Commission or the appropriate state authority(ies).

After gathering information about a client’s financial situation and investment objectives, an IAR of RIS assists the client in selecting a particular third-party adviser/program. For initial manager search and evaluation and ongoing consulting services, RIS considers a number of factors in determining which TPAs to recommend to clients, including but not limited to performance, investment objectives, fees and methods of analysis. TPAs which RIS recommends may not achieve the best rate of returns or charge the lowest fees in comparison to other TPAs.

Clients will sign investment advisory agreements with the TPA of the program selected. The client or TPA, in accordance with the provisions of those agreements, can terminate the advisory relationship.

### **Retirement and Financial Planning**

The scope of these services is defined in the financial planning agreement executed by a client in advance of the engagement. RIS provides most of these planning services on a one-time basis to address specific client needs.

The financial planning agreement can be terminated by either Party within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon receipt of written notice from the other, can terminate the agreement. In the event of termination, the client will be charged financial planning fees for the work completed by RIS.

### **Retirement Plan Consulting Services**

RIS offers the following Retirement Plan Consulting Services:

RIS will conclude an agreement with a Plan Sponsor to provide Retirement Plan Services to the client. RIS then meets with Plan Participants to discuss Plan features and benefits and to provide employee education. On an as needed and requested basis, RIS will meet with individual Participants and recommend an initial asset allocation for each Participant. Thereafter, upon request, RIS will meet with individual Participants to review their portfolio and recommend any changes to their asset allocation. RIS will not have any responsibility to implement any advice given to the Participants or to monitor the Participants’ portfolios unless a Participant signs a separate advisory agreement to provide those services.

The client agreement can be terminated by either party within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon receipt of written notice from the other, can terminate the agreement. In the event of termination, prorated fees will be charged based on the asset market value on the date notice is received.

These accounts are regulated under the Employee Retirement Income Securities Act (“ERISA”). RIS will provide consulting services to the Plan fiduciaries as described above. The Plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as RIS may recommend. The Plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the Plan. RIS is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to Section 3(21) of 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.

### **Retirement Plan Accounts**

RIS can assist clients with retirement plan accounts and this assistance may present a conflict of interest. When clients’ leave an employer there are typically four options regarding an existing retirement plan account and you may use a combination of these options: 1) if permitted, leave the funds in your former employer’s plan; 2) if rollovers are permitted and you have a new employer with a plan available, rollover the funds to your new employer’s plan; 3) rollover to an Individual Retirement Account (“IRA”), or; 4) withdraw or cash out your funds from the plan which may have adverse tax consequences depending on your age. In situations where RIS is not already managing your retirement account and recommends that you roll over your retirement plan assets into an account to be managed by RIS, such a recommendation creates a conflict (benefit to RIS) when we earn an advisory fee on your rolled over funds. You are under no obligation to roll over retirement plan assets to an account managed by RIS.

## **Item 5 – Fees and Compensation**

**RIS is a “fee only” Registered Investment Adviser, and the following paragraphs describe the fee schedule for services provided to clients.**

### **Asset Management and Review Fees**

On an annualized basis, our fee for accounts custodied at PAS, SEI or other is:

1% of the account value up to \$1,000,000

0.8% of the account value between \$1,000,000 and \$2,000,000

0.6% of the account value over \$2,000,000.

### **Asset Monitoring and Review Fees**

On an annualized basis, our fee is:

1% of the account value up to \$1,000,000

0.8% of the account value between \$1,000,000 and \$2,000,000

0.6% of the account value over \$2,000,000.

There is a minimum account size of \$500,000

## **Fee Calculations**

For both Asset Management and Asset Monitoring services, investment advisory fees are billed quarterly in arrears. The first payment is due the day after the end of the first calendar quarter in which the account is opened and is prorated for days services were provided. The fees are calculated based on the average market value of the investments in the Client's account, including any cash balances, margin debits or balances held in money market funds, at the beginning and end of the prior calendar quarter.

For Asset Management and Asset Monitoring, services and fees are negotiable and vary based on the size of the account, complexity of the portfolio, extent of activity in the account, or other reasons agreed upon by RIS and the client.

For both Asset Management and Asset Monitoring, RIS allows investments in accounts of members of the same household or family to be aggregated for purposes of meeting fee breakpoints. RIS allows such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts. In the event client withdraws more than \$50,000 of account assets, we reserve the right to charge the fees due RIS on the amount withdrawn on a time-weighted basis.

RIS may amend its fees upon 30 days advance written notice to clients.

Clients can pay the Asset Monitoring and Review and Asset Management and Review fees directly to RIS, upon invoice. Clients can also provide written instruction to the qualified custodian authorizing the advisory fee to be deducted from the client account that is managed by RIS. RIS does not have authority to deduct advisory fees from client accounts without written consent by the client to the qualified custodian. Further, the qualified custodian delivers an account statement, at least quarterly, directly to the client, showing all transactions, including advisory fee deductions. Clients should not rely upon the custodian to verify the calculation or accuracy of investment advisory fees. RIS encourages clients to review the RIS invoice with the amount of fees actually deducted from the account.

RIS will comply with applicable laws and regulations relating to receiving fees by debiting a client's account directly with client authority.

The Agreement can be terminated by either a client or RIS within five days of the date of acceptance without penalty to the client. After the five-day period, either party, upon receipt of written notice from the other, may terminate the Agreement. In the event of termination, prorated fees will be charged based on the asset market value on the date notice is received.

SEI Program fees can be paid directly by a client or be debited from a client's account(s) with authorization from the client. Fees are payable quarterly in arrears, based upon the market value of the client's account at the end of the billing period. Fees are net of any applicable account and performance reporting charges not charged to the customer. Either RIS or the client can terminate the agreement with SEI upon written notification. Prorated



fees will be charged based on the asset market value on the date notice is received. RIS may amend its fee upon 30-days advance written notice to clients.

### **Third Party Investment Adviser Fees**

Fees paid by the client to TPAs are established and payable in accordance with the Form ADV Part 2A disclosure document provided by each TPA to whom RIS refers its clients. These fees may or may not be negotiable. Clients who are referred to TPAs will receive full disclosure, including services to be provided and fee schedules, at the time of the referral. RIS or the TPA will deliver a copy of the relevant TPA's Form ADV Part 2A. Upon initial account opening, RIS will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to RIS. Any disclosure statements beyond the initial account opening will be provided by the TPA.

### **Retirement and Financial Planning Fees**

RIS provides retirement and financial planning for a fixed fee ranging from \$600 to \$1200, depending upon the complexity of the plan. (In the alternative, RIS can charge hourly rates of \$150 for a Managing Partner or Director, \$75 for an Investment Analyst and \$50 for a clerical person. Such expenses shall be due and payable upon completion of the services rendered.)

### **Retirement Plan Consulting Fees**

On an annualized basis, the fee for Retirement Plan Consulting Services is:  
1.0% per annum of account value of Participants' accounts.

Fees for accounts maintained at SEI are calculated at the end of each quarter based upon the account value of the Participants' accounts at the end of the quarter. Either RIS or the client can terminate the agreement with SEI upon written notification. Prorated fees will be charged based on asset market value on the date notice is received.

The first payment of investment advisory fees will be due the day after the end of the first calendar quarter in which this Agreement is executed and will be prorated for the days services were provided. The fees shall be paid based on the average market value at the beginning and end of the calendar quarter of the Participants' accounts' assets. Fees are billed quarterly in arrears.

Fees for this service will be deducted directly from Participants' accounts or will be paid by the Plan directly to RIS. The fees for this service are separate and apart from the fees charged by SEI or other third parties.

### **General Information on Advisory Fees**

All of RIS's client assets are maintained with a qualified third-party custodian. Based on authorization provided by the client, RIS has the authority to debit advisory fees directly from certain client accounts, which is considered to be custody of client funds.

The fees charged are calculated as described above. RIS does not charge fees based on the capital gains, capital appreciation, or any performance of the funds of an advisory client.

RIS does not represent, warranty, or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections.

RIS's fees for services may be higher or lower than charged by other advisers.

Advisory fees payable to RIS do not represent all the fees associated with investing. Advice offered by RIS may involve investments in mutual or exchange-traded funds. All fees paid to RIS for investment advisory services are separate and distinct from the fees and expenses charged internally by mutual funds (described in each fund's prospectus) to their shareholders.

Mutual and exchange-traded fund fees generally include a management fee and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. Commissions on transactions and other account fees will also be charged by brokerage firms in accordance with the account's brokerage firm's normal commission schedule. Certain accounts could have annual maintenance or other fees charged by the custodian. RIS does not share in any portion of the brokerage fees or transaction charges imposed by the custodian holding the client funds or securities. In some cases, RIS may negotiate reduced fees with brokerage firms. Interval fund fees generally include a management fee and other fund expenses. Interval funds due to their offering are permitted to deduct a repurchase fee from the repurchase proceeds. In some cases, an interval fund's fees and expenses may be higher than those charged by other types of funds. The client should review all fees charged by mutual funds, RIS and others to fully understand the total fees paid.

There could be instances where a client seeks advice on taking care of outside financial needs which could remove assets from RIS's management. This can create a conflict between the interest of RIS and the interests of the client. RIS bases their advice in these instances on each client's financial objectives and circumstances.

Further, the client is under no obligation to act upon the recommendations of RIS, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through RIS. Clients are hereby advised that lower fees for comparable services may be available.

In addition, RIS does not have or employ any "employee" that receives additional compensation from the sale of securities or investments that are purchased, sold or recommended for a client's account. As a result, RIS is a "fee only" adviser.

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

RIS does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) therefore do not do side-by-side management. RIS's advisory fee compensation is charged only as disclosed in Item 5.

## **Item 7 – Types of Clients**

RIS provides services to a number of clients:

- ♦ Individuals, including high net worth individuals
- ♦ Trusts, estates and charitable organizations
- ♦ Pension and profit-sharing plans
- ♦ Corporations or other business entities
- ♦ Not for profit entities

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

### **Methods of Analysis:**

RIS's Investment Committee ("IC") utilizes numerous analytical tools and data sources to analyze the economic environment and investment alternatives. A few of these data sources include Bloomberg, Morningstar and Ibbotson Associates, and economic and market commentary and analysis provided by various industry sources. The IC conducts proprietary research on the investment environment and utilizes paid research from investment strategists and industry experts. It also meets regularly with investment professionals to evaluate opportunity and risk. The IC analyzes historical data, market trends, correlation between investments, and assessment of risk/reward potential to identify and determine investment strategies, vehicles and decisions.

### **Investment Strategies:**

RIS employs investment strategies in client portfolios, and the use of specific strategies depends on each client's unique objectives and circumstances. Diversification (mixing a variety of investments within a family portfolio) is an investment strategy that is frequently used as a risk management technique. RIS may use other strategies and investment vehicles to meet specific client objectives, such as cash flow or income needs, tax situation, retirement status, or risk tolerance.

Depending upon where the client's assets are custodied, RIS primarily utilizes no-load mutual funds and ETF's (Exchange Traded Funds) to implement investment strategies; however, we may use other investment vehicles in certain circumstances. Each of these investment vehicles have unique characteristics such as:

- Mutual Funds - An open-end investment company that pools money from many investors and invests the funds in stocks, bonds, short-term money market

instruments, other securities, or some combination of these investments. They are priced at the close of each business day at NAV from the fund.

- ETFs – Like mutual funds, investment companies offer investors a way to pool their money in a fund that invests in stocks, bonds, or other assets or some combination of these investments. ETFs are priced intraday at market prices on the national securities exchange.
- Interval Funds – This is a type of closed-end fund where the fund offers to repurchase a portion of their shares from investors at periodic and predetermined intervals, generally every three, six or twelve months. Interval funds price daily at net asset value but are not listed on an exchange, so they do not trade above or below net asset value the way regular closed-end funds do. Although interval funds provide limited liquidity to investors by offering to repurchase a limited amount of shares on a periodic basis, investors should consider shares of the Fund to be an illiquid investment. Investments in interval funds are therefore subject to liquidity risk as an investor may not be able to sell the shares at an advantageous time or price. There is also no secondary market for the Fund's shares, and none is expected to develop. There is no guarantee that an investor will be able to sell all or any of their requested Fund shares in a quarterly repurchase offer. Interval funds may deduct a repurchase fee from the repurchase proceeds, intended to compensate the fund for expenses directly related to the repurchase.

RIS may employ certain Active Management strategies in client accounts. While the types of Active Management vary, the primary goals are to:

- Try to preserve principal in intermediate term down markets by moving to a more defensive position;
- Adjust a portfolio's exposure to stock or bond markets in response to the perceived risk of the market; or
- Invest opportunistically in rising segments of the market while trying to avoid those losing value or showing little current potential for gain.

An example of an Active Management strategy used by RIS is the Seasonal Strategy. The implementation of Active Management strategies may change based on market or economic conditions. In the Seasonal Strategy, the Investment Committee conducts a formal review of investments used in this strategy as the IC deems necessary. As a result, portfolio allocations or investment changes can be done at the IAR's discretion. RIS's Investment Committee, based upon analysis of investment cycles and business cycles, may vary the mix of investments between growth and value, large and small, U.S. and international companies and vary the mix of various bond categories. Risk of loss exists in all strategies utilized by RIS.

All strategies, investment decisions and investment vehicles involve some level of risk and losses can occur by using any investment strategy, including those strategies used by RIS.

RIS's Investment Committee meets as circumstances require, normally monthly, to review general market conditions as well as specific investment vehicles that might be placed or replaced in clients' accounts. The IC also periodically reviews the mutual funds and other investments that are included in RIS's "preferred list" to ensure that they are still appropriate.

**Risk of Loss:**

There may be loss or depreciation of the value of any investment due to the fluctuation of market values and the recommendations or advice given. Investments we manage are subject to various market, currency, inflationary, economic, political, business and other risks, and RIS does not guarantee the future performance or the success of any recommendation. In certain legacy portfolios, non-traded REITS are still held. Non-traded REITS have the following associated risks: absence of the public market, lack of liquidity, no guarantee of distribution, and assets are valued by the Board of Directors which impacts connection between the share price and net asset value. Losses can occur by using any investment strategy, including strategies employed by RIS.

## **Item 9 – Disciplinary Information**

RIS does not have any legal, financial or other disciplinary items to report regarding itself or any of its representatives.

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

Pershing, SEI, Fidelity and TIAA (collectively "Service Providers") provide RIS with a range of services and other benefits to help it conduct its business. For instance, Service Providers may pay for or provide RIS with technology to service client accounts and streamline its operations. For example, RIS may use software for order entry and client reporting purposes. Other services may include a proprietary integrated analysis, trading and reporting systems that allow RIS to communicate electronically with Service Providers. Service Providers may also offer investment research to help us make well-informed investment decisions for accounts. Trained representatives are available at their firms to provide administrative support to RIS. They may assist RIS in joining their services, and this may include providing or paying for clerical staff to assist, paying account transfer fees or other charges clients may otherwise have to pay when changing custodians or Service Providers.

These and other services that Service Providers furnish provide benefits to RIS and may be made available at no fee or at a discounted fee. The provision of these services and other benefits to RIS may be based on our clients placing a certain amount of assets in accounts with certain Service Providers within a certain period of time. We may be influenced by these benefits in recommending or requiring that clients establish accounts with these firms. Service Providers and RIS may agree to pricing (including transaction, account and services fees) for RIS client accounts based on the nature and scope of RIS's

business with these firms. That may include the current and future expected amount of RIS client assets in custody, the types of securities managed and expected frequency of trading in client accounts. Service Providers may change their pricing and the services and other benefits they provide if the nature of RIS's business with these firms changes or does not reach certain levels. In that case, pricing for RIS's client accounts may increase, but not to exceed standing pricing for advisers that custody client accounts with them.

For these reasons, RIS could have a conflict of interest when recommending Service Providers because use of other firms could result in higher operating costs. For information about the programs and incentives available to RIS in managing accounts through Service Providers, clients may contact RIS directly.

As part of their fiduciary duty, RIS and its IARs endeavor at all times to put the interest of the client first. Clients should be aware that receipt of additional compensation itself creates a potential conflict of interest.

## **Item 11 – Code of Ethics**

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

From time to time, persons associated with RIS may buy or sell securities that are recommended to its clients or securities in which its clients are invested. It is the policy of RIS that no access person may execute a transaction for a security unless the transaction occurs after the clients' trade and approval has been obtained in advance or the transaction is part of a block transaction predetermined to be suitable for all clients within the block. The term "security" does not include shares of mutual funds, direct obligations of the Government of the United States, bankers' acceptances, bank certificates of deposit, commercial paper or high-quality short-term debt instruments.

### **Code of Ethics**

RIS has adopted a Code of Ethics, the full text of which is available to clients and potential clients upon request. RIS strives to comply with all applicable laws and regulations governing its practices and has adopted, in its entirety, the code of Professional Practices adopted by the CFP Board. Therefore, RIS has set forth guidelines for professional standards of conduct for our IARs, the goal of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith, and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines. The Code of Ethics requires that all employees submit personal securities transactions and holdings reports to RIS which will be reviewed by a qualified representative of RIS on a periodic basis. Associated persons are also required to report any violations of RIS's Code of Ethics. In addition, RIS maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about clients or their account holdings by RIS or any associated person.

A client can request a complete copy of RIS's Code by contacting RIS at the address, telephone or email on the cover page of this Part 2A; Attention: Chief Compliance Officer.

### **Trade Errors**

On infrequent occasions, an error may be made in clients' accounts. In these situations, RIS seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps are taken, including but not limited to, cancelling the trade, adjusting an allocation, and/or reimbursing the account. In the event a trading error results in a profit or loss, the profit or loss would be retained by RIS and not allocated to the client. Thus, where gains occur, RIS derives additional benefit from a client's account.

## **Item 12 – Brokerage Practices**

RIS is a "fee only" investment adviser and does not engage in commission-based securities transactions. RIS is not involved with brokerage practices such as:

- ♦ Directed brokerage
- ♦ Principal trading
- ♦ Cross transactions
- ♦ Research or other soft dollar benefits
- ♦ Brokerage for client referrals

The two RIS brokerage practices are shown below:

### **Aggregation of Orders**

RIS can aggregate orders with respect to a security in various client accounts. When orders are aggregated, each participating account receives the average share price for the transaction and bears a proportionate share of all transaction costs, based upon each account's participation in the transaction. This is subject to RIS's discretion depending on factual or market conditions. Clients participating in block trading may include proprietary or related accounts. Such accounts are treated as client accounts and are not given preferential or inferior treatment versus other client accounts. Allocations of orders among client accounts must be made in a fair and equitable manner.

Clients are hereby advised that in the event orders are not aggregated, clients could receive different prices for the same securities transactions, may not be able to buy and sell the same quantities of securities and may be charged higher transaction fees than if orders were aggregated.

### **Suggestion of Broker-Dealers**

RIS will recommend that a client in need of brokerage and custodial services utilize Pershing, TIAA, Fidelity, and SEI among others.

RIS believes that Pershing and other recommended broker-dealers provide the best services at competitive rates. While RIS believes that broker-dealers we recommend provide best execution, the fees charged by Pershing and other recommended custodians may be higher or lower than those charged by other broker-dealers. In determining whether Pershing and other broker-dealers RIS recommends provide best execution, we consider factors that RIS deems relevant, including, among others, the value of research provided, reputation, execution capability, fees, responsiveness and the quality of service rendered.

Best execution is not measured solely by reference to fees charged. Paying a broker a higher fee than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

### **Item 13 – Review of Accounts**

RIS conducts a regular review of clients' accounts in the process of preparing its quarterly performance reports. One of RIS's IARs reviews each quarterly report and if changes are warranted, they will be made.

In general, RIS conducts a thorough review of clients' accounts at least twice per year during an evaluation of the Seasonal Strategy and its influences on various investments. Each IAR is assigned a number of client accounts which they review in detail to identify funds or securities that are to be bought or sold to achieve the desired account balance. RIS makes these decisions after RIS's Investment Committee has agreed upon guidelines that reflect the outlook for financial markets over approximately the next six months. IARs make changes according to the Investment Policy Statement for each client.

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

RIS may enter into agreements whereby it compensates firms or Investment Advisor Representatives for referring clients to RIS. RIS may also enter into agreements whereby it refers Clients to various Third-Party Advisors ("TPAs") for asset management services. RIS may receive compensation pursuant to its agreements with these TPAs for introducing clients. RIS has a conflict of interest and may show a preference in referring clients to TPAs with which RIS has referral agreements over TPAs with which RIS has no referral agreements. All such agreements will comply with the requirements set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940, and/or applicable state statutes, to the extent they apply. Under these arrangements, the client does not pay higher fees than RIS's normal/typical advisory fees.



## **Item 15 – Custody**

All of RIS's client assets are maintained with a qualified third-party custodian. Clients receive account statements from their custodian at least quarterly. RIS encourages clients to compare information contained in reports provided by RIS with the account statements received directly from the custodian. Differences in portfolio value can occur due to factors including, but not limited to, unsettled trades, accrued income, pricing and dividends earned but not received. Clients should contact RIS immediately if they do not receive account statements from their custodian on at least a quarterly basis.

Based on authorization provided by the client, RIS has the authority to debit advisory fees directly from certain client accounts, which is considered to be custody of client funds. RIS encourages clients to review the RIS invoice and compare the amount of fees actually deducted from the account. When managing certain client accounts, the information clients provide to RIS may inadvertently give RIS access to accounts beyond the debiting of fees. As a result, RIS has engaged the services of a third party independent public accountant to perform an audit of those accounts for which RIS has custody beyond the debiting of fees. Audits will be performed once each calendar year.

## **Item 16 – Investment Discretion**

### **Investment or Brokerage Discretion**

The client grants RIS discretionary authority to supervise and direct investments of and for clients' account(s) by the IAR from time to time in accordance with an executed client agreement. Such discretionary authorization shall confer upon RIS the right to execute transactions in the client's account solely for the purposes of rebalancing or modifying the asset allocation of client's account within specified guidelines/percentages as stated in client's Investment Policy Statement (IPS). This discretionary authority includes the ability to generate cash for various needs, including systematic withdrawals, one-time withdrawals and payment of advisory fees. All such discretionary transactions will be done at the sole discretion of RIS and without consulting with or notifying the client in advance.

The client can place limitations, which can include but are not limited to, restricting the type or class of securities or other assets purchased in the client's account or restrictions on exposure to certain types of securities or other assets. If the client desires to place limitations on securities to be traded in their account, the limitations shall be listed in the Investment Policy Statement (IPS) and may be amended by the client providing written notice to RIS. The client acknowledges that any such restrictions or limitations may affect RIS's ability to effectively provide the services contracted for and/or affect RIS's ability to meet their investment objectives.

### **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

RIS will not take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client assets are invested. Although, on rare occasions and only at the client's request, RIS can offer clients advice regarding corporate actions and the exercise of proxy voting rights. All proxy related materials received directly by RIS will be forwarded to the client for direct action.

### **Item 18 – Financial Information**

RIS does not require or solicit pre-payment of \$1,200 or more in fees per client six or more months in advance, thus no financial statement for RIS is attached. RIS does not have any financial conditions that are reasonably likely to impair its ability to meet its contracted commitment to any client.