

**Item 1 – Cover Page**

**ROSENBAUM FINANCIAL, INC.**

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March 30, 2021

This Form ADV Part 2A (“Firm Brochure”) provides information about the qualifications and business practices of Rosenbaum Financial, Inc. If you have any questions about the contents of this Firm Brochure, you may contact us at (503) 352-1300 or [mark@rosenbaumfinancial.com](mailto:mark@rosenbaumfinancial.com) to obtain answers and additional information. Rosenbaum Financial, Inc. is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about Rosenbaum Financial, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rosenbaum Financial, Inc. is 173805.

## Item 2 – Material Changes

Our previous annual update was filed on March 31, 2020. Since that date, we have made the following material changes:

- Item 3: Our fee range for hourly consulting or financial planning changed to \$100 - \$360 per hour.
- Item 3: Our fee range for fixed fee projects changed to \$3,000 - \$50,000.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our Brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rosenbaum Financial, Inc. is 173805. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Firm Brochure may be requested by contacting Mark Rosenbaum, Chief Compliance Officer of Rosenbaum Financial, Inc. at (503) 352-1300 or [mark@rosenbaumfinancial.com](mailto:mark@rosenbaumfinancial.com). Our Firm Brochure is provided free of charge.

ROSENBAUM FINANCIAL, INC.  
Form ADV Part 2A

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#### Item 4 – Advisory Business

- A** Rosenbaum Financial, Inc. (“Rosenbaum Financial” “we” or “us”) is an investment advisory firm located in Portland, Oregon and registered with the Securities and Exchange Commission. We provide investment management, financial planning and insurance strategies to our individual and corporate clients. The firm’s origins go back to 1956 when founder, Fred Rosenbaum began in the insurance business. The company was reformed as Rosenbaum & Rosenbaum in 1982 when Mark and Fred merged their two businesses and began expanding into additional investment services. The firm was renamed Rosenbaum Financial to reflect its broad scope of professional involvement in 2002. The principal owner is Mark Rosenbaum.

Our investment advisory services are driven by our client’s broad personal and financial goals. Our approach uses widely diversified portfolios and individualized strategies to manage investments. Our investment strategies focus on long term results using the lowest possible levels of risk to obtain highest reasonable returns. We follow strict fiduciary standards, asking ourselves “knowing what we know about the markets and our client’s objectives, what would we do in their situation”. Our investment advice is independent and beholden to no investment company or mutual fund. Our clients’ interests are first and foremost in our minds.

- B, C** We help Clients coordinate and prioritize their financial lives with all aspects of their life goals. For many clients this involves close coordination of business, retirement and personal assets. Client input and involvement is critical to our customized approach to investment management. We spend many meetings with our clients discussing short, mid and long term objectives prior to establishing investment policy. These discussions will not only involve questions of risk and income but also key factors such as taxes, family circumstances, emotional considerations, and inheritance objectives. Many clients have sensitive estate planning needs which are to be addressed through their investment plans. We require ongoing conversations with clients following the implementation of investment strategies. We meet with our clients to review progress, understand changes in circumstance and to address needed changes due to market movement.

#### Investment Management

Rosenbaum Financial can have discretionary authority over Client funds. Discretionary authority means that we have the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. Discretionary authority allows us to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval.

Rosenbaum Financial may, on occasion, recommend that all or a portion of the assets in Client accounts be managed by a Third Party Asset Manager (“TPAM”) or sub-advisor. TPAM or sub-advisory fees will be paid out of a portion of the advisory fees that Client pays to Advisor and may, in some cases increase the total advisory fee paid to Rosenbaum Financial. In all discretionary accounts, except to the extent the Client directs otherwise, the Advisor is authorized to use its discretion in selecting or changing a TPAM and/or sub-advisor to the Account without prior notice to the Client. Client may be required to execute a limited power

of attorney with a TPAM or sub- advisor selected by Advisor under this Section.

Advice and services are tailored to the stated objectives of the Client(s). We create an investment policy statement (“IPS”) for each client that summarizes their investment objectives, risk tolerance, time horizon, and projected future needs. This policy guides us in objectively and suitably managing the Client’s investment accounts. It also provides a means by which to evaluate results. In addition, we also create a supplement to the IPS entitled, the “Efficient Frontier.” The Efficient Frontier is used to analyze Client risk and determine asset allocation by generating future projections on different asset allocations models ranging from conservative to aggressive. The documents are reviewed and updated at least every other year as a part of our ongoing review process. We recognize that the IPS and Efficient Frontier set the tone for our investment work and that many clients may have objectives relating to tax and inheritance which are dealt with and recognized/discussed in other planning documents prepared by us or key, outside, legal and accounting professionals.

Our approach uses widely diversified portfolios and individualized strategies to manage investments. Our investment strategies focus on long term results using the lowest possible levels of risk to obtain highest reasonable returns. Our investment recommendations generally include mutual funds, exchange-traded funds, exchange-listed equity securities, separately managed accounts, along with certain alternative investments, such as private real estate investment trusts, private partnerships, oil and gas, etc., which may have limited liquidity. We also recommend certificates of deposit, municipal securities, U.S. government securities and money market funds. If Clients hold other types of investments, we will advise them on those investments also. Clients may impose restrictions on investing in certain securities or types of securities. We consider such restrictions when preparing the Investment Policy Statement.

See Item 8 for a description of our investment strategy.

### **Financial Planning**

We provide comprehensive and modular financial planning services to both individuals and businesses. Fee based financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with you and/or your other advisors (attorneys, accountants, etc.) as necessary.

In performing financial planning services, we can examine and analyze your overall financial situation (comprehensive financial planning), or focus on specific needs (modular planning) such as:

- Investment planning
- Taxation planning
- Retirement planning
- Business planning
- Estate planning
- Cash Flow Analysis
- New Worth Analysis

- Risk Management and Insurance planning
- Account Aggregation Services

The financial planning process may focus on all or only one of these areas depending upon your needs and the scope of our engagement with you.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

### **Pension Consulting**

Plan sponsors are increasingly looking for an investment advisor to help shoulder fiduciary responsibilities. Under a 3(21) fiduciary advisory arrangement Rosenbaum Financial will assist in the recommendation of investments to plan sponsors, monitor the selected investments to ensure performance, provide participant education, and provide guidance throughout the fiduciary process. As an ERISA Section 3(21) fiduciary, Rosenbaum Financial does not have the authority to make and implement fiduciary decisions for the plan. Our recommendations relieve plan sponsors of some of the liability associated with their investment decisions, when the decisions are based on our advice. This allows for the plan sponsor/trustee to retain ultimate decision-making authority for investments as they may accept or reject the recommendations. The plan sponsor is ultimately responsible for the selection and monitoring of the 3(21) investment manager and implementation of any of the 3(21) investment manager's investment recommendations, and assumes responsibility and liability for any overriding decisions made by the plan sponsor. The plan sponsor will have the opportunity to meet with us periodically to review the plan strategies.

- D** Clients that have a household AUM of \$2,000,000 or more are automatically enrolled in Rosenbaum Financial's wrap fee program. For the purpose of this Section and Item 5's account minimum section, "Household AUM" shall be defined as the total AUM of all accounts of any blood relatives or relatives by marriage that are living in the primary residence listed on the new account form or their children that are not living at the primary residence because they are living away at school and have not yet attained the age of 25. Household AUM can also be defined through an affiliation with a business client, such as partners and/or executives of the same company. Market losses causing a Client's Household AUM to drop below \$2,000,000 will not disqualify the Client from our wrap fee program. Clients not qualifying to be automatically enrolled in Rosenbaum Financial's wrap fee program under the above criteria can be admitted to the wrap fee program in Rosenbaum Financial's sole discretion.

Rosenbaum Financial's wrap fee program provides that participating Clients will pay their respective AUM fee as listed in Item 5 at the same breakpoints as non-wrap fee Clients, but

for wrap fee program participant Clients, Rosenbaum Financial will pay all Client transaction and ticket charges for the purchase of Mutual Funds, ETF and individual equities. Rosenbaum Financial receives a portion of the wrap fee paid by the client equal to the AUM fee charged to the Client minus the fees that it pays as listed above.

Clients that are enrolled in the wrap fee program will pay less for their advisory services than clients not enrolled in the wrap fee program because wrap fee program clients will not pay certain fees as described above.

Clients that are enrolled in the wrap fee program will still be required to pay certain fees including:

- The Client's proportionate share of any internal mutual fund's fees and charges;
- The Client's proportionate share of internal fees and expenses of exchange-traded funds such as fees and expenses for investment advisory services, administration, and other fund-level expenses;
- The Client's proportionate share of any fees and expenses on Separately Managed Accounts;
- Client charges imposed by the Client's current custodian (e.g., a transfer or termination fee) before the assets are transferred to Rosenbaum Financial;
- Client charges necessary to liquidate incoming positions into our recommended portfolio.

**E** We manage \$379,639,119 of Client assets on a discretionary basis and \$38,885,434 of Client assets on a non-discretionary basis. These amounts were calculated as of December 31, 2020.

## Item 5 – Fees and Compensation

- A** Rosenbaum Financial provides investment advisory and financial planning services to its Clients. Services may include the analysis of the Client’s current portfolio, development of an investment policy statement, implementation of a recommended portfolio(s), and ongoing monitoring of the investment portfolio(s).

We typically use the following standard fee schedule:

Assets Under Management*	Advisory Fee
Under \$500,000	1.50%
\$500,000 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.00%
\$2,000,000 - \$3,999,999	0.80%
\$4,000,000 - \$5,999,999	0.70%
\$6,000,000 - \$7,999,999	0.60%
\$8,000,000 - \$9,999,999	0.55%
\$10,000,000 - \$14,999,999	0.50%
\$15,000,000 - \$19,999,999	0.45%
\$20,000,000 - \$29,999,999	0.40%
\$30,000,000 - \$39,999,999	0.35%
\$40,000,000 - \$49,999,999	0.30%
\$50,000,000 and Over	Negotiable

\* Rosenbaum Financial generally has a \$500,000 account minimum per household that can be waived in Rosenbaum Financial’s sole discretion.

Clients with a Household AUM of \$2,000,000 or greater are automatically enrolled in Rosenbaum Financial’s wrap fee program. The wrap fee program is described in detail in Item 4D above.

We are often asked to provide investment consultations or financial planning services at an hourly for fixed fee rate. Hourly consulting or financial planning rates range are offered at \$100 to \$360 per hour. Fixed fee projects are estimated to range from \$3,000 - \$50,000. Pricing will be developed on a project-by-project basis for each Client, depending on the complexity and scope of work to be performed. Examples of the factors contributing to the determination of the hourly rate for fixed fee projects may include which and how many of the following areas will be addressed in the financial planning services: statements of financial position (includes net worth and cash flow statements), risk assessment, long term care and disability evaluation, core tax planning, core estate planning, asset allocation, real estate analysis, retirement income planning, and business transition planning along with the experience and professional training of the investment advisor representative providing the investment advice.

- B** We bill the Client monthly in advance and send the custodian a notice of the amount of the fee to be deducted from the Client’s account. Fees are paid directly to us from the account by the custodian upon our submission of an invoice to custodian. Payment of fees may result



in the liquidation of Client's securities if there is insufficient cash in the account. The fee is based on the average daily market value of the Client's account over the immediately preceding month, excluding cash for certain accounts.

Market value means the value of all assets in the account (not adjusted by any margin debit). To determine value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded. Other readily marketable securities and other instruments shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by Rosenbaum Financial and in accordance with Rosenbaum Financial's fiduciary duty.

Fees for a partial month at the commencement of an agreement will be prorated based on the number of days the account was open during the month and the average daily market value of the Client's account over the initial month that advisory services are provided.

Fees for a partial month at the termination of an agreement will be prorated based on the number of days the account was open during the month and the average daily market value of the Client's account over the immediately preceding month.

For fixed fee and hourly projects 50% of the fixed fee or of the estimated total project cost for hourly projects may be billed and prepaid up front with the remainder immediately due and payable upon completion of the project.

- C** For Clients that have a household asset under management of less than \$2,000,000, Clients pay brokerage transaction costs, to the extent they are responsible for those charges, and other charges directly to the custodian. See Item 12. Client will be required to pay, in addition to Rosenbaum Financial's fee, a proportionate share of any Exchange Traded Fund's (ETF) or mutual fund's fees and charges. For example, Mutual fund operating expenses are paid out of the fund and are an additional expense incurred by the Client.

For Clients that have household assets under management of \$2,000,000 or greater and other Clients in Rosenbaum Financial's sole discretion (wrap fee program participants), Rosenbaum Financial will pay the brokerage transaction costs and other charges to the custodian, as detailed in Item 4D above.

- D** Clients pay all advisory fees monthly in advance. Any prepaid but unearned fees will be promptly refunded to Clients by Rosenbaum Financial. Fixed fee projects may require one half of the fixed fee to be paid up front, with the balance due upon completion of the project.

New accounts are prorated from the time we begin charging a fee to the Client. Fees for partial months at the commencement or termination of this Agreement will be billed on a prorated basis contingent on the number of days the account was open during the month. Additionally, all service agreements may be terminated at any time by providing us with 15 days' written notice. Any compensation paid for services beyond the time the agreement was terminated in writing will be refunded to the Client.

Upon termination of any fixed fee project, any prepaid but unearned fees will be promptly refunded by Rosenbaum Financial and any partially completed plan will be delivered to the Client in its partially completed form. Any fees that have been earned by Rosenbaum Financial but not yet paid by Client will be immediately due and payable.

If Rosenbaum Financial has provided the Client a copy of its Form ADV Part 2 less than forty-eight hours prior to entering into any investment advisory contract or if Rosenbaum Financial provided the Client a copy of its Form ADV Part 2 at the time of entering into the investment advisory agreement, then the Client may terminate the investment advisory agreement without penalty within five business days after entering into the contract. Alternatively, the investment advisory agreement may be terminated at any time by either party by providing 15 days' written notice to the other party.

- E** Certain Investment Adviser Representatives or other employees of Rosenbaum Financial are also licensed to sell insurance through Rosenbaum Financial, which is also a licensed insurance agency

Insurance related business is transacted with advisory Clients, and individuals may receive commissions from products sold to Clients. Clients are advised that the fees paid to Rosenbaum financial for investment advisory services are separate and distinct from the commissions earned by any individual for selling Clients insurance products. If requested by a Client, we will disclose the amount of commission expected to be paid.

The receipt of commissions by an affiliated entity or individuals associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of investment advisory Clients. As such, we will only transact insurance securities related business with Clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our representatives are appropriate. Clients are informed that they are under no obligation to use any individual associated with Rosenbaum Financial for insurance or securities products or services. Clients may use any insurance firm or agent they choose.

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

Rosenbaum Financial does not charge any performance-based fees for its services. Accordingly, this item is not applicable to our firm.

### **Item 7 – Types of Clients**

We provide investment advice to individuals, high net worth individuals, and entities. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments. Rosenbaum Financial generally has a \$500,000 account minimum per household that can be waived in Rosenbaum Financial's sole discretion.

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

- A** Rosenbaum Financial believes in a long-term, balanced, disciplined approach to investing. As such, we build globally diversified portfolios that include stocks, bonds, real estate, alternative assets, private placements, and cash. These asset classes are accessed via mutual funds, exchange traded funds, private partnerships and individual stock and bond issues. When used in a managed account, these mutual funds will be no-load or load waived share classes. Investing takes place within the context of the plan that is tailored to each client's unique situation. We develop a statement of investment policy with each Client, outlining the investment philosophy, management procedures, long-term goals, risk tolerance, and other factors as they pertain to the investor(s).

**Our approach attempts to maximize risk adjusted returns.** We are looking for investments or combinations of investments that will provide higher returns relative to the amount of risk assumed.

### ROSENBAUM FINANCIAL CORE EQUITY PORTFOLIO (CEP)

Clients who desire core equity growth as a long term piece of their portfolio will often participate in a group of mutual funds we select and monitor. These combinations of funds and ETFs are carefully researched and selected based on historical and expected future net performance, risk adjusted returns, manager and team interviews and tenure and adherence to stated objectives among many other factors. The funds and markets they represent are evaluated at least annually and rebalanced at the same time. The combination of equities represented will provide access to many markets the combination of which, over time, we believe will provide the opportunity for a more stable portfolio and higher returns.

The CEP may or may not include investment to the following market segments:

- Large, mid, small, micro – growth & value-United States
- Developed international, emerging markets, developed small cap, individual countries-International
- Commodities
- High yield bonds
- Private equity
- Private Partnerships
- Global infrastructure
- Domestic and international real estate
- Utilities
- Timber
- Master Limited Partnerships
- Structured Products such as customized Barrier Notes
- Hedging positions\*

\*Other categories may be added as market conditions warrant.

#### ROSENBAUM FINANCIAL CORE BOND PORTFOLIO (CBP)

For a core fixed income portfolio, we apply many of the same principals used in the construction of our equity portfolios. Fixed income investments are subject to a number of different types of risks, including but not limited to: credit, interest rate, and reinvestment risks. This diversified portfolio is an attempt to mitigate the impact of any one of these risks.

The CBP may or may not include investments in the following market segments:

- Varying Durations- Long, Mid, Short
- Corporate
- Governments
- High Yield
- Bank Loan
- Convertible
- Inflation Protected
- International – Developed and Emerging
- Mortgage Backed
- Asset Backed
- Floating Rate
- Alternative – long/short\*

Other categories may be added as market conditions warrant.

We also may supplement client portfolios with hedged equity positions if we need to reduce the risk of a portfolio to meet the individual client's needs. These portfolios are constructed to attempt to mitigate downturns, recognizing that in rising markets there will be a cost for the risk management.

The Hedged Equity portfolios may or may not include investments in the following market segments:

- Long/Short
- Market Neutral
- Arbitrage
- Tactical or Strategic Allocation
- Managed Futures
- Absolute Return Strategies

A portion of these portfolios may also be invested in a proprietary tactical allocation model based on historical valuations, price movement, momentum, and market breadth.

We primarily use mutual funds and ETF's for all of the above investments. We research fund

information using both trusted third party sources and interviews and questionnaires completed by the funds parent companies when appropriate. The main sources of information we rely upon when conducting our research and analysis are sophisticated Morningstar databases, financial information provided by leading national and international institutions, and outside experts we pay for modeling and investment selection expertise.

- B** We use our best judgment and good faith efforts in rendering services to Client. We cannot warrant or guarantee any particular level of account performance, or that accounts will be profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that Clients should be prepared to bear. Clients assume all market risk involved in the investment of account assets. Investments are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that Clients may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of Client accounts.

It is the responsibility of the Client to give us complete information and to notify us of any changes in financial circumstances or goals.

You should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

**Market Risk.** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g. earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g. such as a "bear" market when stock values fall in general). For fixed-income securities, a period

of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

Third Party Money Manager (“TPMM”) Risk. A TPMM’s past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of your TPMM account(s) are determined by the TPMM directly, and may change overtime without advance warning to us, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a TPMM may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for the client’s portfolio. Our firm does not control any TPMM’s daily business and compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Private Investment Risk. Your participation in any privately offered investments or purchase of any privately offered securities involves a substantially higher degree of risk and is generally more speculative than investments in publicly offered (registered) securities. Private investments may include privately offered real estate investment trusts, Delaware Statutory Trusts, private equity funds, hedge funds, commodity pools, and other similar investment vehicles. Private investments are not appropriate for all clients and may be entirely illiquid. You should be financially capable of accepting an extremely high degree of risk and should have significant resources beyond those invested in any private investment(s). Stated differently, your private investments should purely represent “risk capital” within your overall portfolio, the complete loss of which would have an immaterial and insubstantial effect on your overall financial circumstances and financial goals. Clients should carefully review any disclosure documents, operating agreements, subscription materials, private placement memoranda, prospectuses and similar documentation provided by the issuers of private securities with their independent legal and tax advisors before investing.



### **Item 9 – Disciplinary Information**

Rosenbaum Financial is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Rosenbaum Financial has any information to disclose which is applicable to this Item.

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

Certain Investment Adviser Representatives of Rosenbaum Financial are also licensed as insurance agents with Rosenbaum Financial. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5E, above.

Rosenbaum Financial may, on occasion, recommend that all or a portion of a Client's assets be managed by an unaffiliated investment manager or sub-advisor. Fees charged by a sub-advisor will be fully disclosed to Clients. Sub-advisory fees may be deducted directly from Client accounts and may result in increased fees to Client. In all discretionary accounts, except to the extent the Client directs otherwise, we are authorized to use our discretion in selecting or changing a sub-Advisor and/or outside money manager to the account without prior approval from a Client. Clients may be required to execute a limited power of attorney with a sub-advisor selected by us.

Rosenbaum Financial may, on occasion, provide consulting services to qualified and non-qualified retirement plans including 401(k), Profit Sharing, and Defined Benefit Plans where investment advisory Clients are trustees of those plans. To fulfill our fiduciary duty, Clients are informed that they are under no obligation to use any individual associated with Rosenbaum Financial for these consulting services, and that they may use any firm, entity or agent they choose for these services.

Rosenbaum Financial may, on occasion, provide to its Clients business succession consulting. As fiduciaries we must act primarily for the benefit of investment advisory Clients. As such, we will only provide Clients business succession consulting services when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with Rosenbaum Financial for business consulting services. Clients may use any firm, entity or agent they choose for these services.

## Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading

- A** Rosenbaum Financial has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines our high standard of business conduct, and fiduciary duty to Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

A copy of the code of ethics is available to any Client or prospective Client upon request by contacting Mark Rosenbaum at (503) 352-1300 or [mark@rosenbaumfinancial.com](mailto:mark@rosenbaumfinancial.com).

- B,C,D** We do not own or manage any companies or investments that we advise our Clients to buy.

Rosenbaum Financial or individuals associated with our firm may buy and sell some of the same securities for their own account that Rosenbaum Financial buys and sells for its Clients. When appropriate we will purchase or sell securities for Clients before purchasing the same for our account or allowing representatives to purchase or sell the same for their own account. In some cases, Rosenbaum Financial or representatives may buy or sell securities for their own account for reasons not related to the strategies adopted for our Clients. Our employees are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory Clients while at the same time, allowing employees to invest their own accounts.

Rosenbaum Financial will disclose to advisory Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Rosenbaum Financial shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person of Rosenbaum Financial shall prefer his or her own interest to that of the advisory Client.
2. Rosenbaum Financial maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Rosenbaum Financial reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to termination.

## Item 12 – Brokerage Practices

- A** Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, Rosenbaum Financial may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Rosenbaum Financial. In recommending broker-dealers, Rosenbaum Financial will comply with its fiduciary duty to seek best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order; and
- Any other factors that we consider to be relevant.

Generally speaking, we will recommend that Clients establish brokerage accounts with TD Ameritrade Institutional is a division of TD Ameritrade Inc., ("TD Ameritrade"), a registered broker-dealer and member FINRA/SIPC, so long as they continue to meet the above criteria. We participate in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through its participation in the Program.

We work with primarily these broker dealers for administrative convenience and also because these broker dealers offer a good value to our Clients for the transaction costs and other costs incurred.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that is typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit its Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop its business enterprise. The benefits we receive or our personnel through participation

in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, our endeavors at all times are to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our decision to use TD Ameritrade for custody and brokerage services.

We also receive from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program.

TD Ameritrade provides the Additional Services to us at its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. We have entered into a separate agreement (“Additional Services Addendum”) with TD Ameritrade to govern the terms of the provision of the Additional Services.

From time to time, we are provided marketing and due diligence support by Fund companies. Typically that support is in the form of funds used to defray costs associated with client dinner events and travel costs associated with certain investment due diligence trips. The client dinner events and due diligence may be used to benefit and service all or a substantial number of Rosenbaum Financial’s accounts, including accounts not holding any Fund company equities. Our receipt of additional compensation does not diminish our duty to act in the best interests of our Clients.

Because soft dollar benefits could be considered to provide a benefit to the adviser that might cause the client to pay more than the lowest available commission without receiving the most benefit, they are considered a conflict of interest in recommending or directing custodial and third party managerial services. Rosenbaum Financial mitigates these conflicts of interest through strong oversight of soft-dollar arrangements by the Chief Compliance Officer, in order to assure the soft dollar benefits, serve the best interests of the client.

Other services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Rosenbaum Financial may contract directly. Rosenbaum Financial may receive seminar expense reimbursements from product sponsors which may be based on the sales of products to their clients.

Soft dollar benefits may be proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

- B** Rosenbaum Financial may aggregate trades for Clients. The allocations of a particular security will be determined by Rosenbaum Financial before the trade is placed with the broker. When practical, Client trades in the same security will be bunched in a single order (a “block”) in an effort to obtain best execution at the best security price available. When employing a block trade:

- Rosenbaum Financial will make reasonable efforts to attempt to fill Client orders by day-end.
- If the block order is not filled by day-end, Rosenbaum Financial will allocate shares executed to underlying accounts on a pro rata basis, adjusted as necessary to keep Client transaction costs to a minimum.
- If a block order is filled (full or partial fill) at several prices through multiple trades, an average price and commission will be used for all trades executed;
- All participants receiving securities from the block trade will receive the average price.
- Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

It is expected that this trade aggregation and allocation policy will be applied consistently. However, if application of this policy results in unfair or inequitable treatment to some or all of Rosenbaum Financial's Clients, Rosenbaum Financial may deviate from this policy.

### Item 13 – Review of Accounts

- A** Accounts are reviewed by Mark Rosenbaum, who is responsible for overseeing all regulatory compliance for the firm. The frequency of reviews is determined based on the Client's investment objectives. Accounts are generally reviewed quarterly, but in any event, no less than annually.
- B** More frequent reviews may be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in the economic climate.
- C** Investment advisory Clients receive standard account statements from the custodian of their accounts on a monthly basis or quarterly if there is no activity in the account. Rosenbaum Financial also provides Clients with a written report summarizing the account activity generally quarterly, but in any event, no less than annually.

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

As disclosed in Item 12, we receive from TD Ameritrade certain additional economic benefits (“Additional Services”) that may or may not be offered to any other independent investment Advisors participating in the program.

Our receipt of Additional Services raises potential conflicts of interest. By providing Additional Services to us, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with us, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, we may have an incentive to recommend to our Clients that their assets under management be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Our receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek the best execution of trades for Client accounts.

Also as disclosed in Item 12, we receive additional compensation from Fund companies, including, but not limited to, J.P. Morgan Chase and Co. and First Trust Portfolios, LP. Typically that support is in the form of funds used to defray costs associated with client dinner events and travel costs associated with certain investment due diligence trips. The client dinner events and due diligence may be used to benefit and service all or a substantial number of Rosenbaum Financial’s accounts, including accounts not holding any Fund company equities. Our receipt of this additional compensation does not diminish our duty to act in the best interests of our Clients.



### Item 15 – Custody

With the exception of Rosenbaum Financial’s ability to debit fees, and the ability to disburse or transfer certain funds to third parties pursuant to Standing Letters of Authorization executed by Clients, Rosenbaum Financial does not otherwise have custody of the assets in the account.

Rosenbaum Financial shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

## **Item 16 – Investment Discretion**

Clients may grant Rosenbaum Financial ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Rosenbaum Financial's Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Under this discretionary authority, Client allows Rosenbaum Financial to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in matters necessary or incidental to the handling of the account, including monitoring certain assets.

Clients may also grant Rosenbaum Financial non-discretionary authority to execute its investment recommendations. Non-discretionary authority requires Rosenbaum Financial to obtain a Client's prior approval of each specific transaction prior to executing the investment recommendations.

### Item 17 – Voting Client Securities

- A** Without exception, we do not vote proxies on behalf of Clients.
- B** We do not have authority to vote Client securities. Clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a Client, they will be sent directly to the Client or a designated representative of the Client, who is responsible to vote the proxy. Rosenbaum Financial may provide recommendations on how to vote proxies to Clients; however, Clients are never obligated to act on such recommendation.

**Item 18 – Financial Information**

- A**      Rosenbaum Financial does not collect more than \$1,200, more than six months in advance of services from any Client.
- B**      Rosenbaum Financial does have discretionary authority over Client funds or securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C**      Neither Rosenbaum Financial, nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.