

**BLUE SQUARE ASSET MANAGEMENT, LLC**

**D/B/A Blue Square Wealth**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Blue Square Asset Management, LLC, D/B/A Blue Square Wealth (hereinafter "Blue Square Wealth" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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 the Firm is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2 Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated March 21, 2020, we have the following material change to report:

Item 9 was updated to reflect disciplinary information.

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## Item 4 Advisory Business

Blue Square Wealth offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Blue Square Wealth rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Blue Square Wealth setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

Blue Square Wealth is an SEC registered firm and is directly owned by Jay Bluestine.

As of December 31, 2020, Blue Square has regulatory assets under management totaling \$251,576,497 of which \$189,037,987 is managed on a discretionary basis and \$62,538,510 on a non-discretionary

While this brochure generally describes the business of Blue Square Wealth, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Blue Square Wealth's behalf and are subject to the Firm's supervision or control.

### Financial Planning and Consulting Services

Blue Square Wealth offers clients a broad range of financial planning and consulting services, which include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning

In performing these services, Blue Square Wealth is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Blue Square Wealth recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Blue Square Wealth or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Blue Square Wealth under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Blue Square Wealth's recommendations and/or services.

### Investment Management Services

Blue Square Wealth manages client investment portfolios on a discretionary and non-discretionary basis. Blue Square Wealth primarily allocates client assets among various exchange-traded funds ("ETFs") and individual equity securities in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Many clients engage Blue Square Wealth to manage asset in accordance with strategies based primarily on a 200 day moving average trend(s). However, non-discretionary accounts are typically not managed in accordance with this strategy.

Clients can engage Blue Square Wealth to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Blue Square Wealth directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Blue Square Wealth tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Blue Square Wealth consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Blue Square Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Blue Square Wealth determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

#### **Sub-Advisory Services to Registered Investment Advisers**

We offer sub-advisory services to unaffiliated third party money managers (the "Primary Investment Adviser"). As part of these services, we will provide model portfolios, which the Primary Investment Adviser selects for their clients. We will not directly manage the Primary Investment Adviser's individual client accounts. The Primary Investment Adviser will be responsible for selecting the appropriate model for its clients.

#### **Sourcing, Due Diligence, Monitoring Services**

We provide sourcing, due diligence and monitoring services for clients interested in private funds ("Funds") on a non-discretionary basis. These services are provided on a non-discretionary basis. Funds are available for investment only by investors, who meet the eligibility requirements of the applicable fund set forth in its offering documents. Each such fund is exempt from registration as an investment company under the U.S. Investment Company Act, as amended (the "Investment Company Act"), under Section 3(c)(1) or 3(c)(7). The detailed terms, strategies and risks applicable to each Fund is described in the Fund's organizational and offering documents which may include a private placement memorandum (or other information documents), limited partnership agreement, limited liability company agreement, management agreement and "side letters," all as applicable.

#### **Sponsor of Wrap Program**

The Firm does not serve as the sponsor of or manager to a wrap fee program (i.e., an arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm).

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

Blue Square Wealth offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers insurance products under a separate commission-based arrangement.

**Financial Planning and Consulting Fees**

Blue Square Wealth charges a fixed fee for providing financial planning and consulting. These fees are negotiable, but range from \$2,500 to \$50,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Blue Square Wealth may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Blue Square Wealth requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

**Financial Advisory Fees**

Blue Square Wealth charges a fixed fee for providing financial advisory services. These fees are negotiable, but range from \$5,000 to \$25,000, depending upon the scope and complexity of the services. If the client engages the Firm for additional investment advisory services, Blue Square Wealth may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial advisory engagement are set forth in the Advisory Agreement and Blue Square Wealth requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

**Investment Management Fees**

Blue Square Wealth offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies depending upon the type of client, size and composition of a client's portfolio and the type of services rendered. The firm works with individuals and institutional clients, including but not limited to retirement plans, family offices, collective trusts, and other investment advisers. Fees vary between 25 and 150 basis points (0.25% - 1.50%) per annum, depending on whether a client is an individual or an institution, as well as the size and composition of a clients portfolio and the services rendered. The terms and conditions of the investment management engagement are set forth in the Investment Management Agreement.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Blue Square Wealth on the last day of the previous quarter. If more than \$10,000 in Assets are deposited after the beginning of a Billing Period, the Investment Management Fee will be prorated based on the number of days remaining in the Billing Period. If you withdraw more than \$100,000 in a Billing Period, we will credit our unearned Investment Management Fee towards the next Billing Period's Wealth Management Fee.

For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

For asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Blue Square Wealth may negotiate a fee rate that differs from the range set forth above.

**Sourcing, Due Diligence, Monitoring Services**

Fees for these services are negotiable and within the same fee rate as described under investment management fees above.

**Sub-Advisory Services for Registered Investment Advisers**

Fees and payment arrangements are negotiable and will vary on a case-by-case basis.

**Fee Discretion**

Blue Square Wealth may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

**Termination**

You may terminate the portfolio management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

**Additional Fees and Expenses**

In addition to the advisory fees paid to Blue Square Wealth, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund, ETF or private fund fees and expenses in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), private fund offering documents, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

As discussed above, and in response to Item 12, below, the Firm will generally recommend the brokerage services of Charles Schwab.

**Direct Fee Debit**

Clients provide Blue Square Wealth with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Blue Square Wealth.

**Use of Margin**

Blue Square Wealth may recommend that certain clients utilize margin in the client's investment portfolio or other borrowing. Blue Square Wealth only recommends such borrowing for non-investment needs, such as bridge loans and other financing needs. The Firm's fees are determined based upon the value of the assets being managed gross of any margin or borrowing.

**Account Additions and Withdrawals**

Clients can make additions to and withdrawals from their account at any time, subject to Blue Square Wealth's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Blue Square Wealth, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Blue Square Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

If assets are deposited after the beginning of a billing period, the investment management fee will be prorated based on the number of days remaining in the billing period and charged on the next billing period's wealth management fees. If assets are withdrawn in a billing period we will credit our unearned investment management fee towards the next billing period's wealth management fees.

**Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

Blue Square Wealth does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

**Item 7 Types of Clients**

Blue Square Wealth offers services to individuals, pension and profit sharing plans, other investment advisers, trusts, estates, charitable organizations, corporations and business entities.

**Minimum Account Value**

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.



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

### Methods of Analysis and Investment Strategies

Blue Square Wealth strives to protect and grow client capital through its proprietary and systematic approach to investing. The Firm developed its Dynamic Investing approach to provide clients with a disciplined, systematic approach to addressing the challenges of capital market volatility. Blue Square Wealth's Dynamic Investing approach is its primary tool to help manage clients' risk of loss.

Blue Square Wealth regularly monitors every asset class in its clients' portfolios. The Firm's Dynamic Risk Indicator ("DRI" - a quantitative tool calculating the trailing daily moving average of each asset class) indicates when each asset class is in what Blue Square Wealth characterizes as an uptrend or a downtrend. The DRI signals a new trend whenever an asset price moves above or below its 200-day moving average for a set period of time. Each DRI trend change triggers a systematic adjustment of Blue Square Wealth client's exposure to that asset. When the Firm's DRI signals a new downtrend, Blue Square Wealth moves a portion of the position to cash and/or short-term investment grade fixed income, to protect capital. When the Firm's DRI signals a new uptrend, Blue Square Wealth moves a portion of the cash and/or short-term investment grade fixed income position back into the other designated asset class, to grow capital.

While the DRI strives to maintain its investment management decisions aligned with the DRI, the Investment Management Committee has the latitude to override the DRI.

Blue Square Wealth works closely with each client to identify the most appropriate asset allocation for that client. Blue Square Wealth takes into account the client's current financial situation and their long-term needs and goals. The Firm also assesses each client's risk tolerance. Based on the Firm's assessment of client suitability, it recommends that most clients' assets be invested across one of Blue Square Wealth's primary portfolios: Growth, Balanced Growth, or Balanced. To help manage clients' tax issues the Firm also offers Balanced Growth Muni and Balanced Muni portfolios, replacing a portion of the taxable fixed income portion of our primary portfolios with tax- advantaged municipal bonds.

Blue Square Wealth uses ETFs across all these portfolios to implement its asset allocation recommendations. Blue Square Wealth then Dynamically Invests each ETF in each portfolio as described above. However, Blue Square Wealth also applies these processes to equity portfolios comprised mostly with individual equities.

Blue Square Wealth also offers a hybrid version of each portfolio, using the Firm's Blue Square actively-managed US and International Core equity portfolios in place of a portion of the US and International ETFs. Blue Square Wealth Dynamically Invests these Blue Square portfolios as well.

When appropriate, Blue Square Wealth customizes a client's portfolio to incorporate previously existing investments that will remain in the client's portfolio and transfer to Blue Square management. Blue Square Wealth seeks to dynamically manage risk and market exposure with these legacy assets using put options instead of cash and short-term fixed income when the Firm's DRIs indicate downtrends.

In the Firm's Blue Square actively-managed equity portfolios it uses a combination of quantitative and fundamental analysis to drive portfolio construction. This process typically involves the utilization of enhanced quantitative screening tools to determine attractive equities based on a company's intrinsic value as compared to its current price in the market.

Non-discretionary accounts are typically not managed in accordance with the strategies noted above and are managed on a case-by-case basis in conjunction with input from the client.

### **Risk of Loss**

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Blue Square Wealth's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Blue Square Wealth will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *Management through Similarly Managed "Model" Accounts*

Blue Square Wealth manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds, ETFs and/or other securities on a discretionary basis using one or more of its proprietary investment strategies.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax situation. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

#### *Exchange Traded Funds Risks*

Exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades

the fund's investments in accordance with the fund's investment objective. While ETFs may provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on ETFs can be reduced by the costs to manage the funds.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

### *Options Contracts Risks*

Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Internationally traded options have special risks due to timing across borders.

## *Digital Assets Risks*

"Digital Assets" - generally refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology, including, "virtual currencies (also known as crypto-currencies)," "coins," and "tokens". We may invest in and/or advise clients on the purchase or sale of digital assets. This advice or investment may be in actual digital coins/tokens/currencies or via investment vehicles such as exchange traded funds (ETFs) or separately managed accounts (SMAs). The investment characteristics of Digital Assets generally differ from those of traditional securities, currencies, commodities. Digital Assets are not backed by a central bank or a national, international organization, any hard assets, human capital, or other form of credit and are relatively new to the market place. Rather, Digital Assets are market-based: a Digital Asset's value is determined by (and fluctuates often, according to) supply and demand factors, its adoption in the traditional commerce channels, and/or the value that various market participants place on it through their mutual agreement or transactions. The lack of history to these types of investments entail certain unknown risks, are speculative and are not appropriate for all investors.

**Price Volatility of Digital Assets** - A principal risk in trading Digital Assets is the rapid fluctuation of market price. The value of client portfolios relates in part to the value of the Digital Assets held in the client portfolio and fluctuations in the price of Digital Assets could adversely affect the value of a client's portfolio. There is no guarantee that a client will be able to achieve a better than average market price for Digital Assets or will purchase Digital Assets at the most favorable price available. The price of Digital Assets achieved by a client may be affected generally by a wide variety of complex factors such as supply and demand; availability and access to Digital Asset service providers (such as payment processors), exchanges, miners or other Digital Asset users and market participants; perceived or actual security vulnerability; and traditional risk factors including inflation levels; fiscal policy; interest rates; and political, natural and economic events.

**Digital Asset Service Providers** - Service providers that support Digital Assets and the Digital Asset marketplace(s) may not be subject to the same regulatory and professional oversight as traditional securities service providers. Further, there is no assurance that the availability of and access to virtual currency service providers will not be negatively affected by government regulation or supply and demand of Digital Assets. Accordingly, companies or financial institutions that currently support virtual currency may not do so in the future.

**Custody of Digital Assets** - Under the Advisers Act, SEC registered investment advisers are required to hold securities with "qualified custodians," among other requirements. Certain Digital Assets may be deemed to be securities. Some Digital Assets do not currently fall under the SEC definition of security and therefore many of the companies providing Digital Assets custodial services fall outside of the SEC's definition of "qualified custodian". Accordingly, clients seeking to purchase actual digital coins/tokens/currencies may need to use nonqualified custodians to hold all or a portion of their Digital Assets.

**Government Oversight of Digital Assets** - Regulatory agencies and/or the constructs responsible for oversight of Digital Assets or a Digital Asset network may not be fully developed and subject to change. Regulators may adopt laws, regulations, policies or rules directly or indirectly affecting Digital Assets their treatment, transacting, custody, and valuation.

## **Private Funds**

Funds are available for investment only by investors who meet the eligibility requirements of the applicable fund set forth in its offering documents. Please refer to the Fund's offering documents for further information regarding methods of analysis investment strategies and risk of loss.

## **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Item 9 Disciplinary Information**

Jay Bluestine, founder and CEO, was fined \$5,000 and suspended for a 90-day period ending January 4, 2021 by the Financial Industry Regulatory Authority (FINRA) for borrowing money from a personal friend and client.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Loans**

Blue Square has a Promissory Note outstanding which matures in 2025. The Promissory Note may be increased up to but not more than \$2,000,000. Blue Square Wealth in its capacity as the borrower has not and does not act as a fiduciary or investment advisor as it pertains to this Note. Blue Square Wealth has a conflict of interest and has an incentive to treat advisor clients who lend or participate in the Note more favorably than advisor clients who do not lend or participate in the Note. Blue Square Wealth mitigates this conflict by treating similarly situated clients within the same investment approach similarly. When Blue Square Wealth's portfolio management buy and sell indicators signal the need to purchase or liquidate securities, accounts within that strategy are grouped together and trades are aggregated with each account receiving a pro-rata portion of the trade. See Item 18 for more information.

### **Performance and Reporting**

Blue Square Wealth also offers consolidated performance and data reporting services for a fee that is not investment advisory. The fees for these services are negotiable, may be included without charge for accounts managed on a discretionary basis but are typically 0.10% (10 basis points) for accounts are not managed by Blue Square Wealth.

### **Licensed Insurance Agents**

A number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Blue Square Wealth recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Item 11 Code of Ethics

Blue Square Wealth has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Blue Square Wealth's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Blue Square Wealth's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction for the client has been completed first; or
- the transaction for the Supervised Person is completed as part of a batch trade with clients.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Blue Square Wealth to request a copy of its Code of Ethics.

## Item 12 Brokerage Practices

### **Recommendation of Broker-Dealers for Client Transactions**

Blue Square Wealth recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co., Inc. ("Schwab") for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Blue Square Wealth is independently owned and operated and not affiliated with Schwab. Schwab provides Blue Square Wealth with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Blue Square Wealth considers in recommending any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.



The commissions paid by Blue Square Wealth clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Blue Square Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Blue Square Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Blue Square Wealth in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Blue Square Wealth does not have to produce or pay for the products or services.

Blue Square Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Schwab - Your Custody and Brokerage Costs**

For our clients' accounts it maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates and/or asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$250 million of our clients' assets statement equity in accounts at Schwab. This commitment benefits you because the overall commission rates and/or asset-based fees you pay are lower than they would be if we had not made the commitment. In addition to commission rates and/or asset-based fees Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

### **Schwab Advisor Services**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage - trading, custody, reporting and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us.

### *Services that Benefit You*

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

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

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

### *Services that Generally Benefit Only Us*

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession;
- access to employee benefits providers, human capital consultants and insurance providers;
- discount of up to \$4,250 on PortfolioCenter® Reporting Software.

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



**Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services may give us an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above - see "The Custodian and Broker We Use") and not Schwab's services that benefit only us. We do not believe that maintaining our client's assets at Schwab for services presents a material conflict of interest.

**Brokerage for Client Referrals**

Blue Square Wealth does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

**Directed Brokerage**

The client may request in writing that Blue Square Wealth use a particular Financial Institution to execute some or all transactions. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Blue Square Wealth (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Blue Square Wealth may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

**Trade Aggregation**

Transactions for each client will be effected independently, unless Blue Square Wealth decides to purchase or sell the same securities for several clients at approximately the same time. Blue Square Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Blue Square Wealth's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Blue Square Wealth's Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Blue Square Wealth does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by

other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Non-Discretionary Account Trading**

We are not always able to aggregate non-discretionary accounts with our discretionary accounts. We will aggregate non-discretionary account orders when time is available to obtain authorization before or after markets hours. We do not need to obtain authorization on a trade by trade basis for discretionary accounts. Thus, when we determine to trade a security, in order to achieve best execution, when appropriate we place discretionary orders without delay. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm we may not be able to buy and sell the same security at the same price or at the same time for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm. We call non-discretionary accounts on a rotational basis and enter trades concurrent with authorizations.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

## **Item 13 Review of Accounts**

### **Financial Plan Review**

The Firm's Principal and/or investment adviser representatives will review financial plans as needed. These reviews are provided as part of the contracted services. We do not access additional fees for financial plan reviews. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Written updates to the financial plan may be provided in conjunction with the review. Updates to your financial plan may be subject to our then current hourly rate, which you must approve in writing and in advance of the update. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

### **Investment Management Account Reviews**

Blue Square Wealth monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a monthly basis. Such reviews are conducted by the Firm's Principal and/or investment adviser representatives.

Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

All investment advisory clients are encouraged to discuss their needs, goals and objectives with Blue Square Wealth and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Blue Square Wealth and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Blue Square Wealth or an outside service provider.

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

### **Client Referrals**

In the event a client is introduced to Blue Square Wealth by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Blue Square Wealth's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Blue Square Wealth's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Blue Square Wealth is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Referral fees paid to a Solicitor are in certain circumstances contingent upon your entering into an advisory agreement with our firm. A Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

### **Other Compensation**

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

## Item 15 Custody

Blue Square Wealth is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, Blue Square Wealth will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Blue Square Wealth.

### **Wire Transfer and/or Standing Letter of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

## Item 16 Investment Discretion

Blue Square Wealth is given the authority to exercise discretion on behalf of clients. Blue Square Wealth is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Blue Square Wealth is given this authority through a power-of-attorney included in the agreement between Blue Square Wealth and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Blue Square Wealth takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## **Item 17 Voting Client Securities**

Blue Square Wealth accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When Blue Square Wealth accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully described in the Firm's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Blue Square Wealth's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Blue Square Wealth to request information about how the Firm voted proxies for that client's securities or to get a copy of Blue Square Wealth's Proxy Voting Policies and Procedures. A brief summary of Blue Square Wealth's Proxy Voting Policies and Procedures is as follows:

- Blue Square Wealth has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will vote proxies according to Blue Square Wealth's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Firm devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Blue Square Wealth's vote on a particular solicitation but can revoke the Firm's authority to vote proxies.
- Blue Square Wealth will not vote proxies when 1) Proxies are received for equity securities where, at the time of receipt, Blue Square Wealth's position, across all Clients that it advises, is less than, or equal to, 1% of the total outstanding voting equity (an "immaterial position"); or 2) Proxies are received for equity securities where, at the time of receipt, Blue Square Wealth no longer holds that position.

In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Blue Square Wealth maintains with persons having an interest in the outcome of certain votes, the Firm takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict. Should the Firm decide to utilize the services of a third-party provider to vote client proxies, the Firm will ensure that the third-party has adequate proxy voting policies and procedures in place and that the voting is being done in the best interest of the Firm's clients.

## **Item 18 Financial Information**

Blue Square has a Promissory Note outstanding which matures in 2025. The Promissory Note may be increased up to but not more than \$2,000,000. However, at this time the Note is current and being paid on time and we do believe that it impairs our ability to perform our fiduciary duties as an investment advisor. See Item 10 for more information regarding the Note.

In March 2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$229,742 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for certain of the firm's employees, and make other permissible payments. Regardless of the loan amount received, we do not believe that there is a material impact to our relationship with our clients or our ability to meet client contractual obligations. Blue Square does not anticipate that senior management, who is responsible for performing advisory functions, will change regardless of the amounts received under the PPP. The loan is forgivable provided the firm satisfies the terms of the loan program.

Blue Square Wealth does not believe that it is required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Additional Information**

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.



Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.