

## Form ADV Part 2A: Brochure



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This brochure provides information about the qualifications and business practices of EdgeRock Capital LLC d/b/a EdgeRock Wealth Management (“EdgeRock”, “us”, “we” or “our”). If you have any questions about the contents of this brochure, please contact us by telephone at 303-780-7350 or by email at [dtc@edgerockwealth.com](mailto:dtc@edgerockwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration as an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training.

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

**Item 2 – Material Changes**

Our firm's regulatory assets under management now exceed \$100 million. Accordingly, this brochure represents our basis for switching from provisional registration to full registration with the SEC.

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#### *Item 4 – Advisory Business*

EdgeRock Capital LLC, a Colorado limited liability company, is based in Englewood, CO. EdgeRock Capital LLC was established 2018 and conducts its advisory business under the name EdgeRock Wealth Management (“EdgeRock”, “us”, “we” or “our”). Kyle F. O’Dell is our President and principal owner.

EdgeRock offers the following services to advisory clients:

#### **Investment Supervisory Services**

EdgeRock offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. EdgeRock develops an investment strategy for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

EdgeRock evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. EdgeRock typically provides portfolio management services on a discretionary basis, and maintains advisory accounts for certain clients on a non-discretionary basis. EdgeRock requests discretionary authority from clients to select securities and place orders with broker-dealers to execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented for each client.

Clients are responsible for notifying us of any updates regarding their financial situation, risk tolerance or investment objective and whether they wish to impose or modify existing investment restrictions; however we contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients.

Under certain circumstances, conflicts arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

EdgeRock client accounts are part of wrap fee programs sponsored by one or more unaffiliated firms. These wrap fee programs include bundled services such as financial planning and consulting services, as appropriate.

As part of this service, our firm will manage your account and/or conduct management searches of various unaffiliated registered investment advisers. Based on a client's individual circumstances and needs, EdgeRock will select a wrap fee program based on the portfolio management style that is appropriate for that client. When determining which wrap fee program would be most appropriate for a client, EdgeRock considers factors such as account size, risk tolerance, the opinion of each client and the investment philosophy of the third-party portfolio manager(s) involved in the wrap program. The firm encourages clients to review each wrap program sponsor's disclosure document regarding the characteristics of any program and/or third-party portfolio managers selected.

EdgeRock will regularly monitor the performance of each client's portfolio in the wrap fee program(s). If it is determined that a particular selected wrap fee program is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's investment objectives, EdgeRock will remove the client's assets from that wrap fee program and place the client's assets in a non-wrap fee transaction-based program.

If you choose to place your account in a transaction-based pricing program, you typically will pay separate commissions, ticket charges, and custodian fees for the execution of transactions in your account. These charges (if applicable) will be in addition to the investment management fee that you will pay us for other any other accounts still part of the wrap fee program. If you receive services through a wrap fee program, you will only pay fees based on assets under management and you will not pay a separate commission, ticket charge, or custodian fee, for the execution of transactions in your account. EdgeRock and certain service providers, including (if applicable) the platform provider, the custodian, and model portfolio manager, will receive a portion of the fee as compensation for services.

The firm will conduct appropriate initial and periodic due diligence on all wrap fee programs and third-party portfolio managers, making reasonable inquiries into their performance calculations, policies and procedures, Code of Ethics, and other operational and compliance matters deemed important to account performance and risk management.

### **Financial Planning & Consulting Services**

EdgeRock offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address one or more the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolio review, and asset allocation. However, our tax planning services are not a substitute for working with a Certified Public Accountant. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Your investment adviser representative will rely on information provided by you. Therefore, issues and information not provided will not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a written financial plan. We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those

particular issues for which you are seeking our advice or consultation. EdgeRock does not currently provide Financial Planning and Consulting Services as an a la carte service, but, at the discretion of its advisors, will waive the fee to do so.

### **Model Portfolio Solutions**

EdgeRock offers model portfolio selection services, which allows EdgeRock to exercise discretion to select model portfolios managed by the EdgeRock investment committee and/or third-party unaffiliated investment managers. An investment adviser representative will assist you in completing a client profile questionnaire and review the information you provide. We will then select the model portfolio(s) that aligns with your disclosed risk tolerance and investment objectives.

We will be available at reasonable times to answer questions that you may have regarding your account. We will have the ability to select the model portfolio(s) as well as the ability to reallocate funds from or to the model portfolio(s) and funds in other accounts over which you have granted us discretionary authority. You should be aware that there may be other model portfolios not recommended by our firm, that are suitable for you and that may be less costly than arrangements recommended by our firm. No guarantees can be made that your financial goals or objectives will be achieved through our model program or by a recommended/selected model portfolio. Further, no guarantees of performance can ever be offered by our firm (Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more details.)

### **Newsletters**

EdgeRock occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual. Newsletters are provided to clients and prospective clients at no charge.

### **Workshops**

EdgeRock occasionally provides workshops in areas such as financial planning, retirement planning, estate planning, college planning, and charitable planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants. No fees are charged for our workshops.

### **Webinars**

EdgeRock occasionally prepares webinars for its clients and prospective clients that present information in areas such as financial planning and current market developments. Webinars are always offered on an impersonal basis and do not focus on the individual needs of participants. No fees are charged for Webinars. Webinars can only be accessed via electronic invitation.

### **Tailor Advisory Services to Individual Needs of Clients**

EdgeRock's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose reasonable restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and

suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Limited Advice for Certain Types of Investments**

EdgeRock provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- US Government Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives. It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. Under certain circumstances, we will modify our investment strategy to accommodate special situations such as low cost basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

As of September 15, 2021, EdgeRock managed approximately \$168,767,420 on a discretionary basis and none a non-discretionary basis.

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

#### **Investment Supervisory Services**

Our standard annual fee, based on a percentage of your assets under our management, follows the table below:

<b>Less than \$500,000.00</b>	<b>1.50%</b>
<b>From \$500,000.00 to \$999,999.99</b>	<b>1.35%</b>
<b>From \$1,000,000.00 to \$2,999,999.99</b>	<b>1.20%</b>
<b>\$3,000,000.00 or above</b>	<b>1.00%</b>

Investment management fees are payable monthly in arrears. Fees charged for our direct asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the

billing period) on a monthly calendar basis and calculated based on the average daily balance of the account(s) for the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Under the average daily balance method, each day's balance for the month is summed then divided by the number of days in the month, to compute the average daily balance. The average daily balance is then multiplied by the monthly portion of the annual fee to determine the monthly fee due. Our investment management fees are billed to our clients through unaffiliated Advisors Excel, LLC ("AE"). More information about AE is included below under Item 10.

In addition, under certain circumstances, you will incur certain charges imposed by third parties other than EdgeRock in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, management fees, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by EdgeRock are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

**Limited Negotiability of Advisory Fees:** Although EdgeRock has established the standard fee schedule mentioned above, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the written agreement between EdgeRock and each client.

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

EdgeRock does not charge any performance-based fees, which are fees based upon a share of capital gains on or capital appreciation of the assets of a client.

#### *Item 7 – Types of Clients*

EdgeRock provides investment advisory services to individuals, high net worth individuals, 401(k) plans, corporations and charitable organizations. EdgeRock does not have a minimum account size.

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

##### **Methods of Analysis and Investment Strategies**

EdgeRock uses the following methods of analysis in formulating investment advice:

**Fundamental –** This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy,



overpriced = sell). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This method evaluates securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, EdgeRock gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

## **Investment Strategies**

EdgeRock uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases: Investments held at least a year.

Long term investing is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term purchases: Investments held for less than a year.

Short term investing is designed to minimize risk factors such as market volatility and interest rate risk, while still

attempting to earn a rate of return. EdgeRock will recommend this type of investing to clients that have an alternate use for their capital within a 3-12 month time frame.

#### Tactical asset allocation.

A tactical asset allocation strategy allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

#### Strategic asset allocation.

A strategic asset allocation strategy calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

#### Value Investing.

Value Investing can be described as a strategy of selecting stocks that trade for less than their intrinsic values. Value investors typically seek stocks of companies that they believe the market has undervalued. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond with the company's long-term fundamentals. The result is an opportunity for value investors to profit by buying when the price is deflated. Often, value investors select stocks with lower-than-average price-to-book or price-to-earnings ratios and/or high dividend yields. The risks associated with value-investing include incorrectly analyzing and overestimating the intrinsic value of a business, concentration risk, under performance relative to major benchmarks, macro-economic risks, investing in value traps i.e. businesses that remain perpetually undervalued, and lost purchasing power on cash holdings in the case of inflation.

#### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

#### **Risks of Specific Securities Utilized**

EdgeRock generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equity Investments: Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss (sometimes up to a 100% loss in the case of a bankruptcy of a stock holding).

Treasury Inflation Protected/Inflation Linked Bonds: The risk of default on these bonds is dependent upon the U.S. Treasury defaulting on its obligations (which is extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income: Fixed income is an investment in debt securities that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc. Fixed income securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Exchange Traded Funds (“ETF” or “ETFs”): Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investing in Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) also carries the risk of capital loss.

Real Estate Investment Trusts (“REITs”): REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

#### *Item 9 – Disciplinary Information*

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. Neither EdgeRock nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of the integrity of EdgeRock or that of its management.

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

EdgeRock is not and does not have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, a lawyer or law firm, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

#### **Insurance Brokerage Affiliation**

Kyle F. O'Dell, President of EdgeRock, is also the sole owner of Secure Wealth Strategies, Inc. (“Secure Wealth”), a life insurance brokerage. Secure Wealth continues to receive separate customary compensation for life insurance previously sold through that brokerage, however no new life insurance policies are sold or offered through Secure Wealth.

#### **Insurance Business through EdgeRock Wealth Management, LLC and Advisors Excel, LLC**

EdgeRock Capital, LLC is an affiliate of EdgeRock Wealth Management, LLC which utilizes Advisors Excel, LLC (“AE”) to provide client billing and insurance-based solutions to clients. EdgeRock Wealth Management, LLC and EdgeRock Capital, LLC are under common control and ownership. EdgeRock Wealth Management, LLC and EdgeRock Capital, LLC are not affiliated with AE. AE is an independent marketing organization that markets/wholesales life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such life insurance/annuity products. The investment adviser representatives of EdgeRock who serve in a separate capacity as life insurance agents utilize the marketing and wholesaling services of AE.

As a client of EdgeRock, your investment adviser representative will also serve as a life insurance agent. This means your investment adviser representative, acting as a life insurance agent, will recommend you place your assets in life insurance products and annuities when he or she believes it is in your best interest to do so. These life insurance products and annuities pay commissions to your investment adviser representative in his or her separate capacity as an insurance agent. This presents a conflict of interest to your investment adviser representative as he or she will be more inclined to recommend you place your assets in life insurance, annuity products or an advisory account depending on which would pay them more. As such, your investment adviser representative acting in his or her separate capacity as a life insurance agent, can suggest that you implement recommendations which include purchasing life insurance or annuities products which are marketed and wholesaled by AE. This receipt of commissions creates an incentive for the investment adviser representative to recommend those products in his or her separate capacity as a life insurance agent. Likewise, the marketing-override payments received by AE also create an incentive for EdgeRock to encourage the recommendation of life insurance and annuity products marketed and wholesaled by AE.

As a result of the above, the advice rendered to you could be biased. In the event your investment adviser representative will receive a commission in relation to a recommended product, that fact will be disclosed to you. Commissions are built into the product pricing and are not directly paid by you in the form of a reduction of premium amount. Commissions are set by the applicable life insurance carrier but will typically range from 4-7.5% of the total premium.

Investment adviser representatives are eligible to receive incentives and other compensation based on achieving life insurance carrier and third-party (which include affiliates of AE) criteria related to life insurance/annuity transactions, including your life insurance product purchase. These incentives are determined by criteria set by the life insurance carrier or third party. The incentives likely include, but are not limited to: gifts, meals, or entertainment of reasonable value, participation in bonus programs, reimbursement for training, marketing, educational efforts, advertising, or travel expenses to conferences or events sponsored by third parties or life insurance carriers.

EdgeRock and our representatives always endeavor to put the interests of each of our clients first. You are under no obligation to implement any life insurance or annuity transaction through your investment adviser representative in his or her capacity as a life insurance agent or utilize life insurance or annuity products wholesaled by AE.

EdgeRock has taken steps to manage these conflicts of interest by requiring that each investment adviser representative (i) only recommend life insurance and annuities when in the best interest of the client and without regard to the financial interest of EdgeRock and its investment adviser representative or life insurance agents, (ii) not recommend life insurance and/or annuities which result in your investment adviser representative acting as a life insurance agent and/or an affiliated life insurance agency receiving unreasonable compensation related to the recommendation and (iii) disclose in writing to a client any material conflicts of interest related to life insurance or annuity recommendations.

### ***Item 11 – Code of Ethics, Participation or Interest in Fund Transactions and Personal Trading***

We have adopted a Code of Ethics for all employees of the firm describing our high ethical standards of business conduct, including those of applicable Federal and State securities laws. Our Code of Ethics includes policies and procedures relating to maintaining the confidentiality of client information, a prohibition on insider trading, and personal securities trading and review procedures, among other things. Our employees must certify at least annually their receipt, understanding and compliance with our Code of Ethics. A copy of our Code of Ethics is available to our advisory clients and prospective clients, upon request to the Chief Compliance Officer, at the firm's principal office address.

#### **Personal Securities Transactions Disclosure**

At times, Associated persons of EdgeRock buy or sell for their personal accounts, investment products identical to those recommended to clients. This can create a conflict of interest. It is the express policy of EdgeRock that all persons associated in any manner with my firm must place clients' interests ahead of their own when implementing personal investments. EdgeRock and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

To eliminate or mitigate potential conflicts of interest, we have developed written policies and procedures and a Code of Ethics that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to those of EdgeRock clients.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions in the same securities for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of EdgeRock.
- Associated persons must receive pre-clearance from EdgeRock's Chief Compliance Officer for reportable securities.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### ***Item 12 – Brokerage Practices***

EdgeRock considers the following factors when determining which broker-dealer or custodian to recommend to clients:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with existing systems, ease of monitoring investments)

- Products and services offered (e.g., number of mutual funds/ETFs offered, back-office services, technology support)
- Financial strength and stability
- Reputation and integrity
- Ability to maintain confidentiality.

If we assist you in the implementation of any recommendations, TD Ameritrade will be used as the broker/dealer for your account. EdgeRock is independently owned and operated and not affiliated with TD Ameritrade. EdgeRock does not charge a premium or commission on transactions beyond the actual cost imposed by custodian.

## **Soft Dollars**

In selecting or recommending broker-dealers, we consider the value research and additional brokerage products and services a broker-dealer has provided or will provide to our clients and our firm. Receipt of these additional brokerage products and services are considered to have been paid for with "soft dollars." When client brokerage commissions (or markups or markdowns) are used for these brokerage products and services, they provide a benefit to our firm because we do not have to produce or pay for the same brokerage products and services, which creates a potential conflict of interest in directing your brokerage business. We have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

To mitigate this potential conflict, before placing orders with a particular broker-dealer, we determine that the commissions to be paid are reasonable in relation to the value of all the brokerage and research products and services provided by that broker-dealer. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may or may not be greater than the amounts charged by another broker-dealer that did not provide research services or products. In addition, we have instituted certain procedures governing soft dollar relationships including preparation of a mandated reporting of soft dollar irregularities, annual evaluation of soft dollar relationships, and an annual review of this brochure to ensure adequate disclosures of conflicts of interest regarding our soft dollar relationships.

Products and services we receive from broker-dealers includes proprietary and third-party research data and analyses, financial publications, recommendations, or other information about particular companies and industries (through research reports and otherwise), and other products or services (e.g., software and databases) that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Consistent with applicable rules, brokerage products and services consist primarily of computer services and software that permit our firm to effect securities transactions and perform functions incidental to transaction execution. We use such products and services in our general investment decision making, not only for those accounts for which commissions are deemed to have been used to pay for the products or services.

The products and services we receive from broker-dealers are used in servicing our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services. In addition, we may not allocate soft dollar benefits to your accounts proportionately to the soft dollar credits the accounts generate. As part of our fiduciary duty to you, we endeavor at all times to put your interests first.

As an adviser, we have access to the institutional platform of your account custodian. As such, we will also



have access to research products and services from your account custodian and/or other brokerage firm. These products are in addition to any benefits or research we pay for with soft dollars. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may (or may not) be greater than the amounts another broker who did not provide research services or products might charge.

Our use of soft dollars is in accordance with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), we will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients.

### **Selection of Broker-Dealers and Custodians**

EdgeRock recommends that clients direct EdgeRock to execute transactions through TD Ameritrade, Inc. ("TDA") as the broker-dealer. EdgeRock has the discretionary authority to determine the broker-dealer to be used, however it does not have the discretionary authority to determine the commission rates to be paid for brokerage transactions. EdgeRock is not affiliated with TDA. Not all advisers require clients to direct brokerage. When a client directs brokerage, EdgeRock may be unable to achieve most favorable execution of client transactions, and this practice could cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because EdgeRock may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

### **Best Execution**

Seeking best execution for our clients is an important aspect of our fiduciary duty. Consequently, we have controls in place to monitor trade executions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution considering the factors we review, including the quality of services provided by broker-dealers including the quality of executions, commission rates, accuracy and speed of execution, and overall brokerage relationships. Although the commissions and/or transaction fees paid by our clients typically correspond with our duty to obtain best execution, at times, clients will pay a commission that is higher than what another qualified broker-dealer might charge to effect the same transaction when we determine, in good faith, that the commission or transaction fee is reasonable in relation to the value of the brokerage and research services we receive from a particular broker-dealer we recommend. Best execution is also about pricing, not just fees. Accordingly, although we seek competitive rates from the broker-dealers we recommend, we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the broker-dealer are exclusive of, and in addition to, our investment management fee. Our best execution responsibility is qualified if the securities we purchase are no-load mutual funds that are traded at net asset value as determined at the daily market close.

## **Block Trading**

Typically, we implement client transactions separately for each account. Consequently, certain client trades will be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who aggregate client trades (a practice known as “block trading”). There are instances where we block trade for clients where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

## **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

### *Item 13 – Review of Accounts*

## **Investment Supervisory Services**

While the underlying securities within Investment Supervisory Services accounts are continually monitored, these accounts are reviewed typically each quarter, but no less frequently than annually by EdgeRock. Accounts are reviewed in the context of each client's stated investment objectives and guidelines, as well as their assets under management. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

In addition to the monthly or quarterly statements and confirmations of transactions that Investment Supervisory Services clients will receive from their custodian, EdgeRock may provide written quarterly reports summarizing account performance, balances and holdings.

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

EdgeRock does not receive any economic benefit, directly or indirectly from any third party for advice rendered to EdgeRock clients.

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

EdgeRock Marketing LLC invoices both EdgeRock Capital LLC and EdgeRock Wealth Management LLC for the upcoming year's marketing budget. EdgeRock Marketing LLC buys leads from third parties and refers them to EdgeRock Capital and EdgeRock Wealth Management. When a client is introduced to EdgeRock by either an unaffiliated or an affiliated solicitor, EdgeRock pays that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee will be paid solely from the Registrant's investment management fee and will not result in any additional charge to the client. If the client is introduced to EdgeRock by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship, and will provide each prospective client with a copy of EdgeRock's current Form ADV Part 2A and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between EdgeRock



and the solicitor, including the compensation to be received by the solicitor from EdgeRock. EdgeRock has a solicitor agreement in place with Financial Insight Technology, Inc. d/b/a SmartAsset.

#### *Item 15 – Custody*

EdgeRock is deemed to have constructive custody of client funds as the result of debiting investment advisory fees from separately managed accounts. Physical custody of client funds are maintained at a qualified custodian. Debiting of fees is done pursuant to authorization provided by each individual client and approval of the custodian. No less than quarterly, individual clients will receive account statements directly from the custodian of their account. Custodial statements include account holdings, market values and any activity that occurred during the period, including the deduction of investment advisory fees. Copies of account statements are sent to EdgeRock and available to EdgeRock electronically. In the event that EdgeRock provides individual client reports, EdgeRock urges clients to compare information contained in such reports with the account statements received directly from the account custodian. At times, a client's portfolio value will appear different between the custodian statement and the EdgeRock report due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and, (4) dividends earned but not received.

#### *Item 16 – Investment Discretion*

In most cases, EdgeRock will maintain ongoing and continuous discretionary authority, pursuant to its written investment management services agreements with clients, to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, and the wrap fee program and/or unaffiliated third-party portfolio manager. Such clients will have the ability to direct the types of assets in which client funds may be invested, and, as described in more detail in Item 4, will have the ability to impose reasonable restrictions on the investment of their account. Discretionary clients grant EdgeRock discretionary authority through limited power of attorney in their investment management agreement with EdgeRock to arrange for the execution of securities transactions for the account through brokers or dealers as directed by each client.

#### *Item 17 – Voting Fund Securities*

EdgeRock will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

#### *Item 18 – Financial Information*

EdgeRock does not require nor solicit prepayment of more than \$1,200 in fees per client six months or more in advance, and therefore does not need to include a balance sheet with this brochure. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients and we have not been the subject of a bankruptcy proceeding.