

Firm Brochure (Part 2A of Form ADV)  
March 30, 2022

## **MARIETTA INVESTMENT PARTNERS, LLC**

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**This brochure provides information about the qualifications and business practices of Marietta Investment Partners, LLC (Marietta). If you have any questions about the contents of this brochure, please contact us at (414) 289-9080 or [info@mariettallc.com](mailto:info@mariettallc.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.**

**Marietta is an SEC-registered investment adviser. Registration of an adviser with the SEC does not imply a certain level of skill or training.**

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

## **Item 2 - Material Changes**

We have been incorporated the following material changes in the brochure since the last annual update to our brochure dated March 23, 2021.

- Item 4 has been updated to add disclosure regarding our status as a fiduciary related to our rollover recommendations provided to retirement plan accounts or individual retirement accounts in connection with new regulatory guidelines from the Department of Labor and Prohibited Transaction Exemption 2020-02.
- Item 7 was updated to increase the minimum account size from \$1,000,000 to \$2,000,000.

Non-material changes have been made to this brochure. As such, we encourage you to read this brochure in its entirety.

We will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

A copy of this brochure may be requested, without charge, by contacting Marietta at (414) 289-9080 or [info@mariettallc.com](mailto:info@mariettallc.com). Additional information about Marietta is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Marietta who are registered as investment adviser representatives of Marietta.

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#### **Item 4 - Advisory Business**

Marietta Investment Partners, LLC (“Marietta”), founded in 2000 by John T. Evans, provides investment advisory services to individual, trust and institutional clients. Marietta is an independent firm 100% owned by the following employees: Mary T. Allmon, Lori J. Brook, Robert C. Draper, Charles P. Evans, Amanda K Grams and Jonathan A. Smucker. John T. Evans is the Managing Director of the firm. Marietta employs a disciplined approach to assist clients in achieving long-term objectives through investments in high-quality securities.

Marietta works with clients to establish appropriate investment objectives and guidelines based on the client’s unique circumstances. Investment programs for individuals, trusts and certain institutional clients are customized and designed to control risk and be tax-efficient. Investment programs for tax-exempt institutional clients are designed to achieve above-benchmark returns on a risk-adjusted basis. Marietta primarily employs its customized global growth investment strategy through equity investments, fixed income securities and short-term cash equivalent investments. As part of its customized global growth investment strategy, Marietta utilizes a proprietary research process to analyze environmental, social and corporate governance (“ESG”) factors. Marietta believes that ESG factors reflect a comparative ability of a corporation to promote positive outcomes in the world. Clients can request that Marietta consider ESG factors in whole or in part when constructing a customized investment portfolio. A summary of Marietta’s ESG research process is available to clients upon request.

In addition, Marietta offers the following non-customized equity investment programs for clients seeking exposure to the U.S. and global equity markets and ESG-dedicated equity strategies: Marietta International Equity Program, Marietta Global Equity Program, Marietta U.S. Equity Program, Marietta Mid-Cap Growth Equity Program, Marietta U.S. ESG Equity Program and Marietta International ESG Equity Program (collectively, the “Marietta Equity Programs”).

Marietta provides investment advisory services on a discretionary basis. Marietta makes all investment decisions for client accounts and, when we deem appropriate and without prior consultation with the client, buy, sell, exchange, convert and otherwise trade in stocks, bonds, other securities and other financial instruments, subject to any written guidelines and restrictions as the client may from time to time provide to us. Marietta will provide non-discretionary investment advisory services on a case-by-case basis.

Marietta also provides asset allocation services to retirement plan participants, which includes making allocations among the mutual funds offered by the plan. Our allocation advice is based upon the plan participant’s financial situation, risk tolerance and retirement goals, among other factors. Marietta also has an incentive to encourage individual clients to rollover an employer retirement account into a Marietta-managed Individual Retirement Account (“IRA”), with the potential of higher fees charged by Marietta and lower liquidity. The decision of whether to rollover an employer retirement account rests with the individual account owner, and Marietta is committed to providing information to help a client make a decision that is in that client’s overall best interests. When Marietta provides investment advice to clients regarding their retirement plan accounts or IRAs, Marietta is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws

governing retirement accounts. If a client rolls retirement account assets into an IRA we advise, we will charge an asset-based fee as described in Item 5 – Fees and Compensation. The way Marietta makes money creates some conflicts with client interests, so Marietta operates under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

As part of its advisory services, Marietta also provides tax analysis if so requested by the client. Marietta is not a tax advisor, and we urge clients to also consult with their own tax advisor.

Marietta may serve as a portfolio manager in “wrap fee” and similar programs sponsored by unaffiliated financial services firms, such as investment advisers and broker-dealers. There are no material differences between the way Marietta may manage wrap fee accounts versus the other client accounts it manages. Generally, under a wrap fee program, a client of the sponsoring financial institution will be able to obtain professional investment management and transaction execution for a single fee. Each wrap fee program sponsor sets its own fees for clients participating in the program and will pay Marietta for its advisory services rendered to the client out of the fees it charges to its clients. The fee that Marietta receives generally will be negotiated with the program sponsor and will take into consideration the size of the accounts being managed and the nature of the investment objectives being utilized by Marietta in connection with the program. These fees may vary from the schedules of fees set forth in Item 5, below, and from program to program. Fees charged to clients in wrap fee programs are set forth in the sponsor’s disclosure document, which is delivered to clients by the wrap fee sponsor at the start of the client relationship. Wrap fee programs that Marietta participates in will be identified in Marietta’s Form ADV Part 1A, which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Marietta does not currently participate in any wrap fee programs.

As of December 31, 2021, Marietta managed \$594,651,197 in assets on a discretionary basis. As of December 31, 2021, Marietta did not manage any assets on a non-discretionary basis.

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

Fees are calculated in accordance with the following fee schedules. Fees are based on assets under management at the beginning of each calendar quarter and are payable in advance. Marietta does not retroactively adjust fees due to cash flows during the billing period except in extraordinary circumstances considered on a case-by-case basis. Unless otherwise agreed, fees for clients with multiple accounts will be based on aggregate assets under management and prorated at the direction of the client. Unless clients otherwise direct Marietta in writing, Marietta will deduct advisory fees directly from the client’s custodial account on a quarterly basis. It is the client’s responsibility to review the advisory fees included in the account statements provided by the custodian.

**Marietta Investment Partners, LLC**  
**Form ADV, Part 2A**

*Standard Annual Fee Schedule for Customized Portfolios (“Standard Fee Schedule”):*

	<u>Annual Rate</u>	<u>Application of Standard Fee Schedule</u>	
		<u>Total Assets</u>	<u>Average Fee Rate</u>
On the first \$1 million	1.00%	\$1 million	1.00%
On the next \$4 million	0.80%	\$5 million	0.84%
On amounts over \$5 million	0.50%	\$10 million	0.67%
		\$20 million	0.59%

Marietta will apply the Standard Fee Schedule to clients with any portion of their assets managed by Marietta in customized portfolios.

*Annual Fee Schedule for Marietta Equity Programs (“Program Fee Schedule”).*

	<u>Annual Rate</u>	<u>Application of Program Fee Schedule</u>	
		<u>Total Assets</u>	<u>Average Fee Rate</u>
On the first \$5 million	0.80%	\$5 million	0.80%
\$5 million to \$10 million	0.75%	\$10 million	0.78%
\$10 million to \$25 million	0.70%	\$25 million	0.73%
\$25 million to \$50 million	0.65%	\$50 million	0.69%
On amounts over \$50 million	0.60%	\$100 million	0.65%

Marietta will apply the Program Fee Schedule to clients who invest the entirety of their assets managed by Marietta in any of the Marietta Equity Programs, specifically the Marietta International Equity Program, Marietta Global Equity Program, Marietta U.S. Equity Program, Marietta Mid-Cap Growth Equity Program, Marietta U.S. ESG Equity Program and Marietta International ESG Equity Program.

Marietta’s fees are generally not negotiable. However, depending on a number of factors, including the services offered and the relationship between Marietta and the client, the actual advisory fee may be more or less than the fees stated above. Certain accounts of persons affiliated with Marietta are managed without fees or at reduced fees. Investment management agreements may be terminated by either Marietta or the client on 30 days’ prior written notice. In the event an investment management agreement is terminated, the client will receive a pro rata refund of the prepaid advisory fee.

Marietta’s fees do not include brokerage commissions or custodial fees. For more information on these types of fees, see Item 12, “Brokerage Practices,” below. Moreover, clients whose assets are invested in mutual funds and exchange-traded funds (ETFs) will pay both a direct management fee to Marietta and the proportionate share of a fund’s expenses, including the investment management fees to the fund’s investment adviser. Please refer to the fund’s prospectus for more information. Neither Marietta nor its employees accepts compensation for the sale of securities or other investment products.

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

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

## **Item 7 - Types of Clients**

Marietta generally provides investment advice to individuals, trusts, estates and institutional clients including charitable organizations, pension and profit sharing plans, and corporations or other business entities. Our minimum account size is generally \$2,000,000. The minimum account size for accounts in the Marietta Equity Programs is \$200,000, and the minimum for additional investments in the account is \$100,000. These minimums may be waived in special circumstances in Marietta's sole discretion. Clients that participate in wrap fee and similar programs described in Item 4, above, are not subject to Marietta's minimum account thresholds.

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

### Methods of Analysis and Investment Strategies

*Overview—Equity Holdings.* Marietta invests in the common stocks and American Depositary Receipts (ADRs) of companies that Marietta believes are poised for consistent and significant growth. In identifying a universe of desirable stocks, Marietta seeks companies that have:

- well established, industry leading positions;
- proprietary products and services;
- strong balance sheets;
- a history of above average revenues and earnings consistency and growth;
- attractive valuations; and
- talented and experienced management.

Marietta will broadly diversify equity holdings among industry sectors, but we may concentrate certain stock holdings in areas we determine will benefit from longer-term economic and secular trends. Marietta will sell a stock if the company loses its fundamental attractiveness. This can be caused by a deterioration of the characteristics listed above, changes to the supporting economic or secular trends, or a stock price that becomes excessively valued. Marietta does not use short-term timing techniques, but a major change in our market outlook could lead to a reallocation of assets among security classes as permitted by guidelines established with the client.

Marietta analyzes potential equity holdings using criteria designed to measure a company's adherence to positive ESG practices. This proprietary research process is an overlay to Marietta's primary equity evaluation for determining suitability and desirability for client portfolios. This process reviews objective measures of corporate practices for environmental impact in areas such as Emissions & Waste and Resource Efficiency; social impact such as Human & Labor Rights and Employment Policy; and governance such as Management Diversity and Corporate Behavior and Ethics. For ESG portfolios, Marietta restricts investments to corporations that achieve the highest grades under this analysis and also meet investment criteria designed to identify

securities poised for consistent and significant growth. Marietta will subject securities selected for ESG portfolios to review on a regular basis and will sell positions in companies that no longer meet the minimum scores on the firm's ESG grading process.

*Overview—Fixed Income Holdings.* Marietta invests in debt securities of domestic and international issuers to provide a reliable source of income and stability of principal. Accordingly, Marietta invests only in high-quality, investment-grade notes and bonds, and typically maintains an average maturity of less than 10 years. Marietta also invests in sovereign debt instruments issued or guaranteed by foreign governments or their agencies. Marietta holds debt securities for an extended time and sells a debt security when Marietta identifies more attractive debt securities, to update the portfolio's overall yield and/or quality, or based on individual client investment objectives and guidelines. A major change in Marietta's inflation and interest rate forecast will lead to an adjustment in the duration of the fixed-income sector of the portfolio.

*Marietta Equity Programs.* Each of the Marietta Equity Programs are described below:

**Marietta International Equity Program.** The objective of the International Equity Program is to achieve growth by investing in international (non-U.S.) companies that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests in non-U.S. developed and emerging markets primarily through ADRs, and provides clients an actively managed international portfolio that benefits from Marietta's disciplined investment process. While the International Equity Program profile and investment guidelines are proprietary and do not conform sufficiently to any known "style box" benchmark index, Marietta reports comparative performance of the MSCI All Country World ex-U.S. Index as a benchmark.

**Marietta Global Equity Program.** The objective of the Global Equity Program is to achieve growth by investing in U.S. and international (non-U.S.) companies that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests in U.S. common stock, and non-U.S. developed and emerging markets primarily through ADRs, and provides clients an actively managed global portfolio that benefits from Marietta's disciplined investment process. While the Global Equity Program profile and investment guidelines are proprietary and do not conform sufficiently to any known "style box" benchmark index, Marietta reports comparative performance of the MSCI All Country World Index as a benchmark.

**Marietta U.S. Equity Program.** The objective of the U.S. Equity Program is to achieve growth by investing in U.S. companies that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests primarily in U.S. common stock and provides clients an actively managed domestic portfolio that benefits from Marietta's disciplined investment processes. While the U.S. Equity Program profile and investment guidelines are proprietary and do not conform sufficiently to any known "style box" benchmark index, Marietta reports comparative performance of the S&P 500 Total Return Index as a benchmark.



**Marietta Mid-Cap Growth Equity Program.** The objective of the Mid-Cap Growth Equity Program is to achieve growth by investing in U.S. companies with market capitalizations between \$2 million and \$35 million that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests primarily in U.S. common stock and provides clients an actively managed domestic mid-cap portfolio that benefits from Marietta's disciplined investment processes. Marietta reports comparative performance of the Russell 2000 Growth Index as a benchmark.

**Marietta U.S. ESG Equity Program.** The objective of the U.S. ESG Equity Program is to achieve growth by investing in U.S. companies that demonstrate comparatively strong corporate practices for ESG factors based on Marietta's proprietary evaluation process. Further, the U.S. ESG Equity Program will select holdings of companies that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests in U.S. common stock and provides clients an actively managed domestic portfolio that benefits from Marietta's disciplined investment process. While the U.S. ESG Equity Program profile and investment guidelines are proprietary and do not conform sufficiently to any known "style box" benchmark index, Marietta reports comparative performance of the S&P 500 Total Return Index as a benchmark.

**Marietta International ESG Equity Program.** The objective of the International ESG Equity Program is to achieve growth by investing in international (non-U.S.) companies that demonstrate comparatively strong corporate practices for ESG factors based on Marietta's proprietary evaluation process. Further, the International ESG Equity Program will select holdings of companies that Marietta determines to possess above average revenue and earnings growth, strong balance sheets and attractive valuations. The strategy invests in U.S. common stock, and non-U.S. developed and emerging markets primarily through ADRs, and provides clients an actively managed global portfolio that benefits from Marietta's disciplined investment process. While the International ESG Equity Program profile and investment guidelines are proprietary and do not conform sufficiently to any known "style box" benchmark index, Marietta reports comparative performance of the MSCI All Country World ex-U.S. Index as a benchmark.

### Types of Investments

Marietta offers investment advice on the following types of investments:

- Domestic and foreign equity securities, such as common stock, preferred stock and warrants to purchase common and preferred stock;
- Investment company securities (mutual funds);
- ETFs;
- ADRs;
- Fixed-income securities;
- Municipal securities;
- Government securities;
- Sovereign debt instruments; and
- Derivatives.

### Risk of Loss

Risk of loss is inherent in any investment in securities that Marietta's clients should be prepared to bear. Past performance does not guarantee future results, and there is no guarantee that your investment objectives will be achieved. Your account is subject to the following risks:

*Management Risk.* Marietta and its portfolio managers will be delegated the authority to buy and sell securities on your behalf. You must rely upon the managers' abilities and judgment and upon their investment abilities. There is no guarantee that the managers' investment techniques will be successful.

*International Equity and Global Equity Programs Risk.* Due to the nature of investments in foreign securities (see "Foreign Investing Risk," below), clients participating in our International Equity, Global Equity and International ESG Equity Programs should understand that while Marietta places an emphasis on geographical and industry sector diversification, these programs may be more volatile than a strategy focusing exclusively on investments in U.S. securities.

*Equity Securities Risk.* Equity securities will experience periods of turbulent or highly variable pricing. Common stocks and other equity securities generally increase or decrease in value based on the expectations of future performance by the issuing corporation. A corporation's share price may decline as a result of company-specific, or "unsystemic," factors such as unsuccessful strategy execution by management, lower demand for the company's services or products or if the company's revenues or earnings fall short of expectations. A corporation's share price may also decline as a result of systemic factors that affect the market as a whole, such as changes to international or domestic governmental policies, economic slowdowns, or tighter fiscal or monetary policy. Systemic risk also includes rare but significant events such as extraordinary military conflict, geopolitical tensions, financial crises, natural disasters or global pandemics. Systemic risks can be forceful enough to cause heightened volatility and negatively affect asset prices, liquidity of certain securities, and the normal operations of securities exchanges and other markets.

*ESG Investing Risk.* Investing using Marietta's strategies carries risk of underperformance relative to comparable non-ESG equity strategies because the universe of ESG factor qualified securities is smaller than the universe available to non-restricted global equity strategies. After applying ESG factors, the ESG strategy may forgo opportunities that otherwise merit inclusion in a portfolio and it may result in the sale of a security when it might be disadvantageous solely from an asset value perspective.

*Middle Capitalization Corporation Risk.* Investing in securities of middle capitalization corporations generally involves a higher degree of risk than investing in securities of larger corporations. The prices of securities of mid-sized corporations are generally more volatile than those of larger corporations, they generally will have less market liquidity, and they may be more likely to be adversely affected by poor economic or market conditions. These risks generally increase as the size of the corporations decrease.

*Preferred Stock Risk.* Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt

securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise (interest rate risk) and is also affected by the issuer's ability to make payments on the preferred stock (credit risk).

*Warrants Risk.* Warrants are securities, typically issued with preferred stock or bonds that give the holder the right to purchase a given number of shares of common stock or preferred stock at a specified price and time. The price usually represents a premium over the applicable market value of the common stock or preferred stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock or preferred stock, receive no dividends and have no rights with respect to the assets of the issuer. Investments in warrants involve certain risks, including the possible lack of a liquid market for the resale of the warrants, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

*Foreign Investing Risk.* Investments in foreign markets will be primarily achieved through the use of ETFs and investments in foreign corporations will be primarily achieved through the use of ADRs, which are receipts typically issued by a U.S. bank or trust company evidencing ownership of the underlying securities of a foreign corporation. Investments in foreign corporations and markets carry a number of economic, financial and political considerations that are not associated with the U.S. markets and that could unfavorably affect your account's performance. Among those risks are: greater price volatility; weaker supervision and regulation of securities exchanges, brokers and issuers; higher brokerage costs; fluctuations in foreign currency exchange rates and related conversion costs; adverse tax consequences; and settlement delays. In addition, these risks may be greater for investments in emerging markets. Emerging market countries may have relatively unstable governments, weaker economies, and less developed legal systems with fewer securities holder rights. Emerging markets economies may be based on only a few industries and security issuers may be more susceptible to economic weaknesses and more likely to default. Emerging market securities may also tend to be less liquid.

*Mutual Funds Risk.* Mutual funds are subject to investment advisory, transactional, operating and other expenses. Each mutual fund is subject to specific risks, depending on its investments. The value of mutual funds' investments and the net asset value of the funds' shares will fluctuate in response to changes in market and economic conditions, as well as the financial condition and prospects of corporations and other investments in which the funds invest. The performance of each fund will depend on whether the fund's investment adviser is successful in pursuing the fund's investment strategy.

*Exchange-Traded Fund Risk.* An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (i.e., one that is not exchange traded) that has the same investment objective, strategies and policies. The price of an ETF can fluctuate within a wide range, and an ETF will lose value if the prices of the underlying investments owned by the ETF go down. Like mutual funds, ETFs are subject to investment advisory, transactional, operating and other expenses.

*Fixed-Income Securities Risk.* Debt securities, such as notes, bonds, commercial paper and certificates of deposit, are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that when interest rates increase, the resale value of certain debt securities tends to decrease. Both credit risk and interest rate risk may rise, and the price of an issuer's debt securities may fall, as a result of systemic factors that affect the market as a whole, such as changes to international or domestic governmental policies, economic slowdowns, or changes in fiscal or monetary policy. This fixed-income market risk also includes rare but significant events such as extraordinary military conflict, geopolitical tensions, financial crises, natural disasters or global pandemics. Systemic risks can be forceful enough to cause heightened volatility and negatively affect asset prices, liquidity of certain securities, and the normal operations of securities exchanges and other markets.

*Municipal Securities Risk.* Municipal securities are subject to various risks based on factors such as economic and regulatory developments, changes or proposed changes in the federal and state tax structure, deregulation, court rulings and other factors. Repayment of municipal securities depends on the ability of the issuer or project backing such securities to generate taxes or revenues. There is a risk that the interest on an otherwise tax-exempt municipal security may be subject to federal income tax.

*Government Securities Risk.* U.S. Government securities are subject to interest rate and inflation risks. Not all U.S. Government securities are backed by the full faith and credit of the U.S. Government. Certain securities issued by agencies and instrumentalities of the U.S. Government are only insured or guaranteed by the issuing agency or instrumentality, which must rely on its own resources to repay the debt. As a result, there is risk that these entities will default on a financial obligation.

*Sovereign Debt Risk.* Sovereign debt instruments are subject to the risk that a governmental entity delays or refuses to pay interest or repay principal on its sovereign debt, due, for example, to cash flow problems, insufficient foreign currency reserves, political considerations, large debt positions relative to the country's economy or failure to implement economic reforms. If a governmental entity defaults, it may ask for more time in which to pay or for further loans. There is no legal process for collecting sovereign debt that a government does not pay nor are there bankruptcy proceedings through which all or part of the sovereign debt that a governmental entity has not repaid may be collected. Sovereign debt risk is increased for emerging market issuers.

*Derivatives Risk.* Derivatives, including options, are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index or interest rate. Derivatives can be volatile and involve various types and degrees of risk, depending on the characteristics of a particular derivative. Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in a derivative could have a large potential effect on performance of the account. If Marietta invests in derivatives at inopportune times or incorrectly judges market conditions, the investments may reduce returns or result in a loss. The market for many derivatives is, or suddenly can become, illiquid. Changes

in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

### **Item 9 - Disciplinary Information**

There have been no legal or disciplinary events involving Marietta or any of our employees involving investments or investment-related activities or that are otherwise material to a client's evaluation of our advisory business or the integrity of our management.

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

Marietta is an independent, employee-owned investment adviser. We are not affiliated with any other financial services firms.

### **Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading**

Marietta maintains a Code of Ethics (the "Code") which governs all employees and requires them to adhere to the highest standards of business conduct. The Code addresses Marietta's policies relating to compliance with laws and regulations, conflicts of interest, confidentiality, gifts and entertainment, personal trading and reporting and insider trading and is intended to assist employees in carrying out their duties as fiduciaries to clients. A copy of the Code is available upon request to Marietta.

Marietta and/or its employees invest in the same investments that are recommended to clients. Transactions by employees are governed by the Code. Employees that invest in securities held by client accounts are subject to the restrictions and procedures in the Code. The Code requires, among other procedures, prior approval and clearance of most purchases and sales of securities by employees. The Code restricts certain purchases and sales in order to avoid potential conflicts of interest with client transactions or recommendations. Personal trading activities are monitored by Marietta's chief compliance officer.

### **Item 12 - Brokerage Practices**

Clients will generally direct Marietta to use a specific broker-dealer custodian to execute securities transactions. However, in the event that the client does not direct brokerage (or if Marietta believes that use of such broker for a transaction is likely to result in materially unfavorable execution to the client), Marietta will execute securities transactions through a broker-dealer of its choice (broker-dealers and broker-dealer custodians are generally referred to as "brokers" in this Item 12). In selecting a broker, Marietta will consider the full range and quality of a broker's services in placing brokerage, including the value of research provided, the ability to negotiate commissions, the size of the order, access to the market for the security being traded, execution capability, commission rate, financial responsibility and responsiveness to Marietta. Other than in circumstances where a client directs Marietta to use a certain broker (see "Directed Brokerage," below), when selecting or recommending brokers Marietta does not consider whether the broker refers clients to Marietta.

In executing securities transactions, Marietta will seek to obtain the best combination of price and execution available with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its clients. The best price means the best net price without regard to the mix between purchase or sale price and commissions, if any. While Marietta seeks reasonably competitive commission rates, clients do not necessarily pay the lowest available commission. Marietta has adopted procedures to ensure that its duty of best execution is being met, including reviews of brokerage execution by Marietta's chief compliance officer.

In the event Marietta advises clients in a wrap fee program, unless best execution obligations require otherwise, Marietta will generally direct all client transactions to the broker designated in the program because the commission charge is included in the wrap fee payable to the program sponsor. Accordingly, trades effected through the broker sponsoring the program avoid additional transaction costs to the client.

#### Directed Brokerage

As indicated above, clients may direct Marietta to effect transactions through particular brokers. Marietta may also accept clients from referring brokers, in which case the client typically instructs Marietta to direct all brokerage in their accounts to the referring broker. Marietta's business relationship with the referring broker gives rise to a conflict of interest because Marietta receives an economic benefit by virtue of the referral. Marietta has established procedures to address this conflict, including reviews by Marietta's chief compliance officer of brokerage execution and client accounts. In addition, because brokerage is directed to the referring broker, Marietta will not negotiate commissions on the client's behalf. Accordingly, directed brokerage may cost you more money. Clients who direct brokerage may receive commission rates which are less favorable than might be attained by Marietta through other brokers or that are available at discount brokerage firms. Directed brokerage accounts may not receive volume discounts on aggregated orders, which could result in less advantageous prices and/or greater transaction costs. In addition, directed brokerage clients may incur minimum ticket charges, which can result in higher total transaction costs. As a result, client-directed accounts may have performance that is different from that of comparable, non-directed client accounts.

#### Soft Dollar Arrangements

Certain brokers who provide best execution furnish proprietary research services and related products to Marietta for use in managing client accounts. Research services provided to Marietta also include research services offered by third parties through the executing broker. Commission payments in exchange for research and brokerage services are commonly referred to as "soft dollars." In accordance with the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), clients may pay higher than the lowest commission rates available in return for such soft dollar benefits.

In selecting brokers, Marietta considers those factors discussed above, including the value of research and brokerage services provided. Accordingly, the commissions charged by any such broker may be greater than the amount another firm might charge if Marietta determines in good

faith that the amount of such commissions is reasonable in relation to the value of the research information and brokerage services provided by such broker.

Research services that are obtained by Marietta through soft dollar transactions include proprietary research reports provided by the executing broker and general market information. Marietta does not have written soft dollar agreements with respect to the value of research services rendered. However, Marietta has informal arrangements with particular brokers regarding the cost of such services and the amount of commissions necessary to cover such cost. To the extent that Marietta uses client transactions to obtain research or other products or services that Marietta could otherwise purchase for cash, Marietta receives a benefit because we do not have to produce or pay for such research, products or services. As a result, Marietta has an incentive to place more trades or pay higher commissions than would otherwise be the case due to our interest in receiving these benefits, rather than our client's interest in receiving most favorable execution. However, Marietta's chief compliance officer monitors this conflict of interest by reviewing brokerage execution on a semi-annual basis and conducting an annual review of the firm's soft dollar program.

Marietta believes that the information received in this manner is necessary to its investment-decision making process and provides client accounts with benefits by supplementing the research otherwise available to Marietta. Research services are used by Marietta in servicing all of its client accounts, including client accounts that may not participate in soft dollar transactions, and may not necessarily be used in connection with the account that paid the commissions to the brokers providing such services. Marietta believes it is not possible to measure separately the benefits from research services to each of the client accounts. In addition, Marietta believes that costs to the client accounts participating in soft dollar transactions will not be disproportionate to the benefits received by those accounts on a continuing basis.

While Marietta endeavors to purchase with soft dollars only those services that fall within the definition of "brokerage and research services" as provided in Section 28(e) of the Exchange Act, there are some services which could have a "mixed use" (i.e., for both research and other client service purposes). This occurs when services which provide valuable research are also used incidentally for functions such as performance evaluation or accounting, which benefit Marietta. Where products or services have a mixed use, Marietta must allocate the value and pay cash for the portion of such products and services used for non-research purposes. This allocation decision presents a conflict of interest to Marietta because it is deciding how much the firm will pay in cash. Marietta's chief compliance officer is responsible for ensuring that such allocations are made in good faith.

#### Broker Provided Benefits

In addition to the soft dollar benefits described above (see "Soft Dollar Arrangements"), certain brokers may provide other services to Marietta that do not directly benefit clients or that generally benefit only Marietta. Such services include investment research (provided by the broker or third parties), educational conferences and events, and consulting on technology, security, compliance and other business practices. Brokers may also provide Marietta with

financial benefits by discounting or covering all or part of the cost of these services. These services are not contingent upon Marietta committing any specific amount of trading commissions or assets in custody with such brokers or giving particular investment advice, such as buying particular securities for our clients. Because Marietta has an incentive to recommend the use of these brokers to clients based on the economic benefits received in connection with these services, this is a potential conflict of interest. Nevertheless, Marietta is committed to recommending and selecting brokers that Marietta believes will serve best the interests of the client. Marietta has established procedures to address this conflict, including reviews by Marietta's chief compliance officer of brokerage execution and client accounts.

#### Order Allocation and Aggregation

Marietta seeks to allocate portfolio transactions equitably whenever decisions are made to purchase or sell securities by more than one client account in one or more related aggregated orders. In making such allocations between accounts, Marietta considers the respective investment objectives, the relative size of portfolio holdings of the same or comparable securities, the availability of cash for investment and the size of investment commitments generally. Marietta may aggregate orders for securities when Marietta considers aggregation consistent with best execution and under appropriate circumstances.

For clients that have directed Marietta to use a certain broker, such accounts may not necessarily receive the benefits of aggregate order execution (unless other clients have directed use of the same broker in which case order aggregation may occur) and may be subject to higher execution costs. Certain clients may not be included in certain aggregated transactions because of cash availability, tax consequences, timing of the transaction or other factors. At times, individual portfolio managers may place orders to purchase or to sell the same security at different times or at different prices. In such a situation, the purchase or sale orders may be aggregated on the basis of the accounts managed by the portfolio manager rather than aggregated with all orders placed by Marietta for the particular security.

#### Trade Errors

As a fiduciary, Marietta has the responsibility to effect trade orders correctly, promptly and in the best interests of our clients. Marietta's chief compliance officer is responsible for ensuring that any such trade errors are promptly identified, corrected and documented. In the event any error occurs in the handling of any client transactions, Marietta's policy is that clients are made whole. If Marietta causes a trade error to occur in a client account that results in a loss, Marietta will reimburse the client. Any gain related to the error will generally remain in the client's account.

#### **Item 13 - Review of Accounts**

Marietta's portfolio managers, John T. Evans, Mary T. Allmon, Robert C. Draper and Jonathan A. Smucker, regularly review client portfolio accounts. Each portfolio manager periodically reviews investment objectives, supervises the portfolio and assesses the appropriateness of each asset in connection with the client's investment objectives and general



economic conditions. In addition, portfolio managers periodically meet with clients to review the account, the client's investment objectives and to set investment strategy.

Marietta provides written reports to clients at least quarterly. These reports include current yield, cost and market value of assets in the account portfolio. In addition, clients receive statements from the custodians of their securities and/or the broker executing transactions for the account.

With respect to wrap fee programs, as discussed in Item 4, above, the program sponsors send periodic reports to clients that Marietta would otherwise provide.

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

Other than the soft dollar benefits and broker provided benefits disclosed in Item 12, above, Marietta does not receive commissions or any other economic benefit from a non-client in connection with providing advice to clients.

Marietta may compensate persons who solicit clients for the investment advisory services provided by Marietta. Any such referral arrangements and payments will be made in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and any applicable state securities laws. Marietta does not currently have any referral arrangements in place with any person who is not an employee.

#### **Item 15 - Custody**

Marietta does not act as custodian for any client accounts; however, Marietta may be deemed to have custody of client funds to the extent that it deducts advisory fees from a client's account and/or it instructs a custodian to transfer client funds or securities in a client account to a third-party pursuant to a standing letter of authorization or other similar asset transfer authorization. All clients must appoint a qualified custodian, such as a broker-dealer, bank or trust company, to have possession of the assets of the account, to settle transactions for the account and to accept instructions from Marietta regarding the assets in the account. All clients receive quarterly account statements directly from the custodian. *Please compare the information in Marietta's client reports with the information in account statements provided by the custodian.*

#### **Item 16 - Investment Discretion**

Marietta generally has discretionary authority to purchase and sell securities for client accounts by virtue of a limited power of attorney executed by the client as part of the investment advisory agreement. Marietta's discretionary authority is subject to client-specific investment limitations imposed by the client and provided to Marietta in writing. These restrictions could result in differences between the performance of the client's account relative to other accounts. From time to time, Marietta manages client accounts on a non-discretionary basis.

#### **Item 17 - Voting Client Securities**

As part of its advisory service, Marietta will vote portfolio securities for its clients unless the client elects to retain proxy voting authority. The client is asked to make this election in

Marietta's investment management agreement. If such election is made, clients will receive their proxies or other solicitation materials directly from their custodian, a transfer agent or Marietta. If a client does not indicate its election, Marietta will assume that the client wishes to confer authority on Marietta to vote proxies. Clients that wish to vote proxies in a particular manner must retain proxy voting authority in the investment advisory agreement.

Marietta has adopted proxy voting policies and procedures (the "Proxy Voting Policy") designed to ensure that Marietta votes proxies in the best interests of its clients. The Proxy Voting Policy addresses how Marietta generally intends to vote proxies (or what factors it will take into consideration) when voting on particular types of issues, such as corporate governance, mergers and acquisitions, management incentives and shareholder rights. In the event a conflict or the appearance of a conflict between Marietta's interests and client interests with respect to proxy voting should arise, the Proxy Voting Policy provides for several methods of resolving such a conflict:

- vote the securities based on a pre-determined voting policy if the application of the policy to the matter presented to shareholders involves little discretion on the part of Marietta;
- vote the securities in accordance with a pre-determined policy based upon the recommendations of an independent third party, such as a proxy voting service;
- refer the proxy to the client or to a fiduciary of the client for voting purposes;
- suggest that the client engage another party to determine how the proxy should be voted; or
- disclose the conflict to the client and obtain the client's consent or direction before voting.

Upon request to Marietta, a client may obtain a copy of the Proxy Voting Policy and information on how the client's securities were voted. Clients that also retain proxy voting authority may contact Marietta with questions about a particular solicitation.

## **Item 18 - Financial Information**

Marietta does not have any financial condition that would impair our ability to meet contractual commitments to clients. A balance sheet is not required to be provided because we do not require prepayment of more than \$1,200 in fees per client, six months or more in advance.

## **Item 19 - Additional Information**

### IPO Policy

In limited circumstances, Marietta participates in initial public offerings (IPOs) of equity securities on behalf of eligible client accounts. In general, an account is eligible to participate in an IPO allocation if the portfolio manager for the account believes the IPO is an appropriate investment given the account's investment objective, size, asset composition, cash level, risk profile, suitability of the issue and other factors. IPOs will generally be allocated on a pro rata basis to all participating accounts unless, based on the considerations described above, the portfolio managers determine that the IPO should be allocated on other than a pro rata basis. A portfolio manager's decision to allocate shares of an IPO to an employee account presents a conflict of interest because it provides Marietta with an opportunity to advantage the employee

account over other client accounts. As a result, employee accounts may only participate in an IPO subject to Marietta's internal procedures, which require, among other things, pre-approval by Marietta's chief compliance officer, shares to be allocated to the employee account on a pro rata basis and that the employee account is in no way favored over any other eligible account.

#### Legal Proceedings

Marietta generally will not act for clients in any legal proceedings, including bankruptcies or class actions, involving securities either held or previously held in accounts or involving the issuers of such securities. Marietta offers clients the opportunity to use, for a fee, the services of Chicago Clearing Corporation, a third-party service provider, to process securities class action litigation claims involving securities either held or previously held in accounts or involving the issuers of such securities. A client's custodian is generally responsible for transmitting information regarding legal proceedings and submitting a proof of claim on behalf of the client.

## PRIVACY NOTICE

### FACTS

### WHAT DOES MARIETTA DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Social Security number and other personal identifying information (e.g., address, telephone number, date of birth);</li> <li>• Investment objectives, risk tolerance and financial assets; and</li> <li>• Investment holdings, account information and transaction history.</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Marietta chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Marietta share?	Can you limit this sharing?
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

Questions?	Call (414) 289-9080.
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Who we are	
Who is providing this notice?	Marietta Investment Partners, LLC
What we do	
How does Marietta protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and offices.
How does Marietta collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> <li>• information we receive from clients in account agreements or other forms;</li> <li>• information we receive from clients through transactions, correspondence and other communications; and</li> <li>• information we otherwise obtain from clients in connection with providing them a financial product or service.</li> </ul>
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness;</li> <li>• affiliates from using your information to market to you; and</li> <li>• sharing for nonaffiliates to market to you.</li> </ul> State laws and individual companies may give you additional rights to limit sharing. To the extent those state laws apply, we will comply with them with respect to your personal information.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• <i>Marietta does not share with our affiliates.</i></li> </ul>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>• <i>Marietta does not share with nonaffiliates so they can market to you.</i></li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>• <i>Marietta does not jointly market.</i></li> </ul>

Other important information
If you conduct business with us through an investment professional, we may exchange information we collect with them or with others at their direction. Because one or more other financial professionals, such as a financial planner, broker-dealer or bank, are also servicing your account, that firm will have personal information about you as well. Please review all applicable privacy policies for a complete understanding of how your personal information is treated.