

Item 1 – Cover Page



Scott Marsh Financial, LLC  
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Scott Clyde Marsh

801-272-4677

[www.ScottMarsh.com](http://www.ScottMarsh.com)

March 2022

This Brochure provides information about the qualifications and business practices of Scott Marsh Financial, LLC. If you have any questions about the contents of this Brochure, please contact us at 801-272-4677 or by email at [office@scottmarsh.com](mailto:office@scottmarsh.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Scott C. Marsh Financial, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

**Item 2 – Material Changes**

Our last annual update for this brochure was January 2021.

In August 2021 Ryan Egbert and Michael Affleck decided to resign from the firm.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at 801-272-4677 or by email at [office@scottmarsh.com](mailto:office@scottmarsh.com).

Additional information about Scott C. Marsh, is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Scott Marsh Financial, LLC who are registered, or are required to be registered, as investment adviser representatives of Scott Marsh Financial, LLC.

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**Item 4 – Advisory Business**

Scott Marsh Financial, LLC provides portfolio management, tax, real estate, and financial advising services. Scott Marsh Financial, LLC has been owned and operated by Scott Clyde Marsh since 1994.

Portfolio management services use diversified and allocated investments of no load mutual funds and exchange traded funds. Scott Marsh Financial, LLC uses its discretion to select allocations, investments, perform rebalances and other portfolio services. Additional portfolios may be created to meet such needs as fixed income or tax mitigation strategies. Tax services include tax advice and individual return preparation. Real estate services include advice and property management. Advising services include retirement planning, estate planning, and business consulting. Advising services are tailored to individual circumstances and needs. Assets managed on a discretionary basis are \$99,341,995 as of December 31, 2021.

**Item 5 – Fees and Compensation**

Scott Marsh Financial, LLC uses the following fee rate schedule:

<u>Fee Rate</u>	<u>Account Value</u>
2.0%	\$0 - \$499,999
1.5%	\$500,000 - \$999,999
1.0%	\$1,000,000 - \$2,999,999
0.75%	\$3,000,000 - \$4,999,999
0.5%	\$5,000,000 - Up

All fees are subject to negotiation.

The specific manner in which fees are charged by Scott Marsh Financial, LLC is established in a client's written agreement with Scott Marsh Financial, LLC. Scott Marsh Financial, LLC will generally bill its fees on a quarterly basis. Fees are billed in advance and directly debited from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Scott Marsh Financial, LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot, differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and

commissions are exclusive of and in addition to Scott Marsh Financial, LLC's fee, and Scott Marsh Financial, LLC shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Scott Marsh Financial, LLC considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Scott Marsh Financial, LLC does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Item 7 – Types of Clients**

Scott Marsh Financial, LLC provides portfolio management services to individuals, high net worth individuals, companies, and trusts.

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

Investing in securities involves risk of loss that clients should be prepared to bear. Our portfolios reflect a well thought out and disciplined approach to both asset allocation and fund selection.

Asset Allocation is the first step in the portfolio process. Fund selection is second. In both asset class and fund selection, we seek to balance risk and opportunity to achieve long-term investment goals. Our asset allocation decisions assume a minimum three-year time frame. Three years is long enough to give us confidence that underlying investment fundamentals, rather than short-term market sentiment, will drive returns. However, we continually test the overall portfolio risk over one year. Occasionally, this forces changes in portfolio allocations based on a long-term decision horizon — most of the time it does not.

There are three primary steps to our asset allocation for our four model portfolio types:

- 1 First, we establish a neutral allocation for each portfolio type.
- 2 We shift our asset allocation away from neutral only when there are “fat-pitch” opportunities:
  - a. When one asset class is extremely undervalued relative to competing asset classes.
  - b. When cyclical or other factors don’t significantly detract from the valuation story.
  - c. When long-term trends that we believe will have a major impact in defining the upcoming investment climate don’t detract from the valuation story.
- 3 Finally, we use scenario analysis to test the portfolios’ exposure to various downside risks.

Scott Marsh Financial, LLC offers seven model portfolio types each targeting a different level of downside risk and potential reward. Each of the four portfolios is managed without consideration for tax impact. However, funds that we think would be inappropriate for taxable investors are flagged and tax-efficient alternatives are provided. Alternative choices with lower investment minimums are also provided for the benefit of investors with smaller portfolios who may not be able to meet the minimum investment requirements of funds used in the models. All of our portfolios include foreign as well as U.S. stock funds.

The Scott Marsh Financial, LLC Fund Research Process includes the following five steps performed by ourselves or research partners:

1. Performance Screens – These are the starting point in our research process.
2. Questionnaire – Our questionnaire delves into the detail of the investment process, the investment team members, their incentives, growth plans, and portfolio management policies.
3. Initial Portfolio Manager Interview – This allows the lead portfolio manager(s) to fill in the gaps of the questionnaire.
4. The Site Visit – This allows more time with the managers and analyst team.
5. Final Follow-up - Final contact with the team after we have had time to review the results of the site visit.

Additionally, we offer a portfolio strategy that invests in 40 to 50 individual stocks. This portfolio is designed to benefit from the unique demographics of the United States.

Scott Marsh Financial, LLC can and has provided in the past fixed income investments for clients who do not wish to have the risk exposure to one of the standard portfolios. These investments have also been used for clients with high tax exposure used as a tax strategy.

### **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 Scott Marsh Financial, LLC or the integrity of Scott Marsh Financial, LLC's management.

Scott Marsh Financial, LLC received a legal complaint dated July 30, 2010 from a former client. The complaint alleged estate planning, tax preparation, and portfolio management misconduct. Scott Marsh Financial, LLC denied all alleged misconducts and on October 6, 2010 the legal complaint was dismissed.

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

Scott Marsh Financial, LLC is currently unaffiliated with any broker-dealer.

**Item 11 – Code of Ethics**

Scott Marsh Financial, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Scott Marsh Financial, LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Scott Marsh Financial, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Scott Marsh Financial, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Scott Marsh Financial, LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Scott Marsh Financial, LLC's employees and persons associated with Scott Marsh Financial, LLC are required to follow Scott Marsh Financial, LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Scott Marsh Financial, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Scott Marsh Financial, LLC's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Scott Marsh Financial, LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Scott Marsh Financial, LLC's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Scott Marsh Financial, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Scott Marsh Financial, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Scott Marsh Financial, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Scott Marsh Financial, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting our office at 801-272-4677 or emailing us at [office@scottmarsh.com](mailto:office@scottmarsh.com).

It is Scott Marsh Financial, LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Scott Marsh Financial, LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

Scott Marsh Financial, LLC currently does not maintain a Broker-Dealer relationship. Scott Marsh Financial, LLC prefers to recommend products with no commissions. Recommending commission products would require a substantial need for the product and an unavailability of the benefit of that product through non-commission options. If commission products are recommended, Scott Marsh Financial, LLC will fully disclose up front any commission or compensation it will receive.

Scott Marsh Financial, LLC does not receive soft dollar benefits from any group or company with which it does business.

## Best Execution

In selecting Charles Schwab, or any other broker/dealer, to execute client securities transactions, Scott Marsh Financial, LLC considers the full range of services offered by Charles Schwab, including, but not limited to, the following:

- Execution capabilities including the ability to handle trades and answer calls in a volatile market
- Commission rates
- Financial responsibility
- Value of research or brokerage provided
- Technology provided
- Willingness, ability, facilities and infrastructure to work with investment adviser firms
- Administrative resources
- Responsiveness
- Pricing for services provided



Scott Marsh Financial, LLC will annually review its custodial relationship and determine if it will continue to custody client assets at Charles Schwab or if a different institution would better meet our fiduciary responsibility.

### **Trade Aggregation**

In some instances, an adviser may be able to obtain better prices and lower execution costs for its clients if it aggregates (also known as bunching or block trading) multiple smaller orders into one large order. When determining whether or not to aggregate a transaction, Scott Marsh Financial, LLC still remains subject to its duty of best execution. Scott Marsh Financial will Scott Marsh Financials' policies and procedures state that we will adhere to trades being allocated in a fair and equitable manner. Currently Charles Schwab does not provide better pricing for block trades. Each trade is assessed at the client account level.

### **Item 13 – Review of Accounts**

Scott Marsh Financial, LLC likes to review, in person if possible, account performance with its clients annually. However, Scott Marsh Financial, LLC provides quarterly portfolio reports to its clients. These reports include an analysis of portfolio performance for the last quarter as well as stating our current view of the markets and economy and how these things might impact current and future portfolio allocations or fund selection.

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

Scott Marsh Financial, LLC does not have any arrangements that compensate any individual or organization directly or indirectly for client referrals.

### **Item 15 – Custody**

Scott Marsh Financial, LLC does not take custody of client assets. Scott Marsh Financial, LLC currently uses the custodian services of Charles Schwab & Co. Inc. Clients should receive monthly statements from Charles Schwab. Scott Marsh Financial, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

Scott Marsh Financial, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Scott Marsh Financial, LLC observes the

investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Scott Marsh Financial, LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Scott Marsh Financial, LLC in writing.

**Item 17 – Voting *Client* Securities**

As a matter of firm policy and practice, Scott Marsh Financial, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Scott Marsh Financial, LLC may provide advice to clients regarding the clients' voting of proxies.

**Item 18 – Financial Information**

Scott Marsh Financial, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## ADV Part 2B Brochure Supplement – Scott C. March

**Scott Clyde Marsh**

Scott Clyde Marsh born in 1953 has been an investment advisor since 1994. He completed the following education and training:

**Education**

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Masters of Financial Services (M.S.F.S.)	1989 American College, Bryn Mawr, PA
Masters of Business Administration (M.B.A.)	1980 University of Utah, SLC, UT
Bachelor of Science, Accounting (Magna Cum Laude)	1979 University of Utah, SLC, UT
Bachelor of Science, Economics (Magna Cum Laude)	1978 University of Utah, SLC, UT

**Professional Designations**

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Chartered Financial Consultant (Ch.F.C)	1989 American College, Bryn Mawr, PA
Chartered Life Underwriter (C.L.U.)	1989 American College, Bryn Mawr, PA