

# **DBS Investment Advisers, LLC**

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**March 30, 2022**

## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of DBS Investment Advisers, LLC. If you have any questions about the contents of this brochure, contact us at 800-327-2377. 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.

Additional information about DBS Investment Advisers, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

DBS Investment Advisers, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

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

Since the filing of our last annual updating amendment, dated March 30, 2021, we have not made any material changes to this Brochure.

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## Item 4 Advisory Business

### Description of Services and Fees

DBS Investment Advisers, LLC is a registered investment adviser based in Bay City, MI. We are organized as a limited liability company under the laws of the State of Michigan. We have been providing investment advisory services since 2000. Theodore C. Schumann II is the owner of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to DBS Investment Advisers, LLC, and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term "Associated Person" throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Investment Advisory Services

We offer discretionary and non-discretionary investment advisory services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investment decisions on your behalf. As part of our investment advisory services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

As part of our portfolio management services, we may use a sub-adviser to manage all or a portion of your account on a discretionary basis. The sub-adviser may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser, and may hire and fire any sub-adviser without your prior approval. We will pay a portion of our advisory fee to the sub-adviser we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

If you participate in our discretionary services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a limited power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

### Selection of Other Advisers

We may recommend that you use the services of a third party money manager ("MM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the

following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

### **Pension Consulting Services to Retirement Plans**

We offer pension consulting services to employee benefit plans and their fiduciaries. The services are based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, money management services, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be conducted on a discretionary basis, as a 3(38) fiduciary under ERISA. However, the ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as: Diversification; Asset allocation; Risk tolerance; and, Time horizon. Our educational seminars may include other investment-related topics specific to the particular plan.

### **Financial Planning Services**

We offer Financial Planning services which primarily involves advising clients on specific financial-related topics. The specific services will be detailed in an engagement letter which you will be required to sign with us before any such services can be provided. The topics we address may include, but are not limited to, asset allocation, investment planning, retirement planning, financial organization, or financial decision making.

As part of the process, you will furnish us with complete and up-to-date information about your personal financial circumstances and investment objectives. Once all relevant information is received, we will analyze your present financial situation, which may include a review of pertinent assets, liabilities, current and projected cash flow, investment portfolios, and your income tax and estate tax situation.

Our financial planning service may include:

- a discussion of your current and long term planning goals and objectives;
- a determination of your current financial position;
- a review of your asset allocation and investment holdings;
- identification of your future sources of retirement income;
- the presentation a written financial report;
- the preparation of retirement projections; and
- the presentation of asset management and retirement planning recommendations.

Our written financial report will set out all of the assumptions used in the projections, detail all of the financial analysis, and recommend appropriate investments and strategies for consideration. Once the report has been presented and discussed, we will set up an action plan to implement the recommendations you decide to adopt.

## Types of Investments

We primarily offer advice on exchange traded funds (ETFs) and mutual funds. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## Assets Under Management

As of January 31, 2022, we provide continuous management services for \$177,385,576 in client assets on a discretionary basis.

## Item 5 Fees and Compensation

### Investment Advisory Fees

Our advisory fees are based on a percentage of your assets we manage and are set forth in the following fee schedules:

#### Assets Under Management

\$0 - \$999,999

#### Annualized Fee

1.25% (.3125% per quarter)

**Once the value of your managed assets reaches \$1,000,000, the fee will be calculated on the following schedule, which will include the first \$1,000,000 in assets:**

\$0 - \$1,000,000	1.00% (.2500% per quarter)
\$1,000,001 - \$2,500,000	0.90% (.2250% per quarter)
\$2,500,001 - \$5,000,000	0.80% (.2000% per quarter)
\$5,000,001 - \$10,000,000	0.70% (.1750% per quarter)
\$10,000,001 - \$20,000,000	0.60% (.1500% per quarter)
Over \$20,000,001	0.50% (.1250% per quarter)

Our annual fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter.

If the service agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis. This means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

In instances where we have selected a Sub-Advisor to assist us with managing the portfolio strategy determined by your investment objectives, the Sub-Advisor may charge a fee separate and in addition to our management fee. In all circumstances where an additional fee is imposed directly by a Sub-Advisor, the Sub-Advisor's fee and fee-paying arrangements will be disclosed.

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

In instances where we have selected a Sub-Advisor to assist us with managing the portfolio strategy determined by your investment objectives, the Sub-Advisor may charge a fee separate and in addition to our management fee. In all circumstances where an additional fee is imposed directly by a Sub-Advisor, the Sub-Advisor's fee and fee-paying arrangements will be disclosed.

Our fees for portfolio management services will be deducted directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy. If you have any questions about the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Brochure.

You may terminate the Investment Advisory Agreement upon 7 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to review the statement(s) you receive from the qualified custodian. If you find any inconsistent information with the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Brochure.

#### **Selection of Other Advisers**

Depending upon the arrangement with a third party money manager (MM), advisory fees charged by MMs may be separate and apart from our advisory fees. Investment advisory assets managed by MMs will be included in calculating our advisory fee, which is based on the fee schedule set forth above under *Investment Advisory Services*. Advisory fees that you pay to the MM are established and payable in accordance with the brochure provided by each MM to whom you are referred. These fees may or may not be negotiable. You should review the recommended MM's brochure and take into consideration the MM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended MM(s). You may terminate your advisory relationship with the MM according to the terms of your agreement with the MM. You should review each MM's brochure for specific information on how you may terminate your advisory relationship with the MM and how you may receive a refund, if applicable. You should contact the MM directly for questions regarding your advisory agreement with the MM.

#### **Pension Consulting Service Fees for Retirement Plans**

Our advisory fees Pension Consulting services are based on a percentage of plan assets we manage and are set forth in the following fee schedules:

<b>Plan Assets Under Management</b>	<b>Annualized Fee</b>
\$0 - \$999,999	1.25% (.3125% per quarter)

**Once the value of your managed assets reaches \$1,000,000, the fee will be calculated on the following schedule, which will include the first \$1,000,000 in assets:**

\$0 - \$1,000,000	1.00% (.2500% per quarter)
\$1,000,001 - \$2,500,000	0.90% (.2250% per quarter)

\$2,500,001 - \$5,000,000	0.80% (.2000% per quarter)
\$5,000,001 - \$10,000,000	0.70% (.1750% per quarter)
\$10,000,001 - \$20,000,000	0.60% (.1500% per quarter)
Over \$20,000,001	0.50% (.1250% per quarter)

Our annual fee is billed and payable quarterly based on the market value of the included Plan Assets on the last day of the previous quarter. The fees are payable either in advance or in arrears depending upon the arrangement with the custodial platform provider and/or the service agreement.

If the service agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis. This means that the advisory fee is payable in proportion to the number of days in the quarter for which the Plan Assets are managed. The initial fee will be valued and payable on the first business day of the fee period. Thereafter, the fee will be based upon the market value of the Plan Assets on the last business day of the previous fee period (without adjustment for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distributions of assets) and will be due the following business day.

Fees may be remitted directly from the Plan Assets or they may be billed directly to the Plan Fiduciary to be paid. We do not reasonably expect to receive any other compensation, direct or indirect, for our Retirement Plan Services. If we receive any other compensation besides the fees described above, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to the Plan Fiduciary.

You may terminate the Retirement Plan Services Agreement upon 7 days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Deduction of Advisory Fees**

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, and you should review all statements for accuracy. If you have any questions about the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Disclosure Brochure.

### **Financial Planning**

Fees for financial planning range from \$150 to \$300 per hour. This fee is negotiable depending upon the scope and complexity of services to be rendered. The agreed upon consulting fee will be set forth in the engagement letter you sign with us and all fees are payable directly to us upon completion of the agreed upon financial planning services.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or



brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this Brochure.

Any material conflicts of interest between you and our firm or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest, or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, corporations, and other business entities.

In general, we require a minimum of \$100,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. 401(k) plan assets are not subject to the account minimum.

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

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on

how to allocate your assets among various asset classes. We primarily rely on investment model portfolios and strategies developed internally. We may replace or recommend updating an asset allocation if there is a significant deviation in your stated financial goals and risk tolerances.

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

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of mutual funds, ETFs and dividend reinvestment plans (DRIPs) acquired in client accounts on or after January 1, 2012. Our firm uses the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert the custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this Brochure, we primarily recommend mutual funds and exchange traded funds (ETFs). However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds as they can be bought and sold throughout the day like stock, with their price fluctuating throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

## Item 9 Disciplinary Information

DBS Investment Advisers, LLC has been registered and providing investment advisory services since 2000. Neither our firm nor any of our associated persons has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

### Arrangements with Affiliated Entities

Theodore C. Schumann II, President of our firm, is the owner and Chief Compliance Officer of Act Two Financial Advisors, LLC, a registered investment adviser affiliated with our firm through common control and ownership. Investment adviser representatives of our firm are also be registered with Act Two Financial Advisors, LLC. Our advisory services and compensation are separate and distinct from our affiliate's services and compensation.

Mr. Schumann is also the majority share owner of DBS Professional Practice Brokers, LLC, a licensed real estate brokerage firm that provides appraisal, transaction consultation and brokerage services to clients. DBS Professional Practice Brokers, LLC, may provide services to our firm's advisory clients for compensation. Therefore, we must make clients aware that a conflict of interest exists in such circumstances because we have a financial incentive to recommend the services of our affiliate, DBS Professional Practice Brokers, LLC, as a result of Mr. Schumann's common ownership interest. However, clients are under no obligation to use the services of these affiliated / related entities and may obtain comparable services and/or lower fees through other firms.

Our advisory services are separate and distinct from the compensation paid to our affiliate(s) for their services. These affiliated firms are otherwise regulated by the professional organizations to which they belong and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization. These referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

### Recommendation of Other Advisers

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We will receive compensation from the MM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of one MM over another MM with whom we may have more favorable compensation arrangements. We have mitigated this conflict of interest by negotiating the same management fee payable to us with all MMs that we recommend. You are not obligated, contractually or otherwise, to use the services of any MM we recommend. We do not have any other business relationships with the recommended MM(s). Refer to the Advisory Business section above for additional disclosures on this topic.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties

of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting us at the phone number listed on the cover of this Brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may recommend securities to you at the same time we purchase or sell such securities for our own account.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of Fidelity Investments ("Fidelity"), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Fidelity provides quality execution services for you at competitive prices.

For Plan Assets we maintain relationships with several brokerage and custodial providers. While you are free to choose any brokerage and custodial provider, we recommend that you establish an account with the brokerage and custodial services firm with which we have an existing relationship.

Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Fidelity or Plan Asset custodial providers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Fidelity and the Plan Asset custodians provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Economic Benefits**

As a registered investment 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 may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. 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 be greater than the amounts another broker or custodial provider who did not provide research services or products might charge.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through Fidelity or a Plan Asset custodian which we have an arrangement with. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer or custodian that offers the same types of services. Not all advisers require their clients to direct brokerage.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest primarily in mutual funds, which do not trade in blocks.

## **Item 13 Review of Accounts**

Theodore C. Schumann II, Chief Compliance Officer of DBS Investment Advisers, oversees all decisions, account reviews, and primary client contacts conducted by Associated Persons. We monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly. Internal portfolio reviews depend upon the underlying assets of the portfolio, individual circumstances, market conditions and the request of the client. We request that you meet with us at least once annually for a formal review. Additional reviews may be conducted based on various circumstances, including, but not limited to:

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

Investment advisory accounts receive monthly statements from the custodian and may receive a series of quarterly performance reports from DBS Investment Advisers.

Financial plans are reviewed only upon request unless we are retained to update the plan on a continuous basis.

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice. We may, however, compensate unaffiliated parties (not individuals) for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Fidelity or Plan Asset custodial service providers.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at the phone number listed on the cover of this Brochure.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization form.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular security or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of exchange traded or mutual funds, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.



## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not: require the prepayment of more than \$1,200 in fees and six or more months in advance; or, take custody of client funds or securities; or, have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Additionally, we have not filed a bankruptcy petition at any time in the past ten years.

## Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## Item 20 Additional Information

### IRA Rollover Considerations

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

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

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

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

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

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
2. Employer retirement plans generally have a more limited investment menu than IRAs.
3. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
4. Your current plan may have lower fees than our fees.
5. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.

6. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
7. Our strategy may have higher risk than the option(s) provided to you in your plan.
8. Your current plan may also offer financial advice.
9. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond a certain age.
10. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
11. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
12. You may be able to take out a loan on your 401k, but not from an IRA.
13. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
14. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
15. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

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

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, pension administrators and attorneys. We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact us at the phone number listed on the cover of this Brochure, if you have any questions regarding this policy.

### **Class Action Lawsuits**

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