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CORE Advisory Group  
Registered Investment Adviser

744 Arden Lane - Suite 175 | Rock Hill, SC 29732  
(803) 324.5464 – Office

**FORM ADV PART 2A  
FIRM BROCHURE**

**March 30<sup>th</sup>, 2022**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm.

This Brochure provides information about the qualifications and business practices of CORE Advisory Group, ("CORE"). If you have any questions about the contents of this Brochure, please contact us at (803) 324-5464. 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.

CORE is an SEC registered Investment Adviser, domiciled in the state of South Carolina. Registration of a Registered Investment Adviser does not imply any level of skill or training.

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

## **Item 2 – Material Changes**

This brochure is dated March 30<sup>th</sup>, 2022. CORE is required to disclose a summary of material changes in this brochure since the date of our last annual update. The following are the material changes made to this brochure since our filing on March 25<sup>th</sup>, 2021.

- Updated regulatory assets under management as of December 31<sup>st</sup>, 2021. (Item 4)
- CORE is now an SEC registered investment advisor, and no longer registered directly with the state of South Carolina. Disclosure on cover page has been updated to reflect this change in registration status.
- CORE now offers CORE Portfolio Services and CIO Managed Portfolio Services for our affiliated advisory representatives. A detailed explanation of these offerings has been outlined herein (Item 4).
- CORE Portfolio Services and CIO Managed Portfolio Services pricing details provided under Fees and Compensation. (Item 5)
- Item 19: “Requirements for State-Registered Advisors” has been moved from the brochure as CORE is no longer state registered.
- Item 19: “Requirements for State-Registered Advisors” has been removed from the Table of Contents (Item 3)

If you would like a copy of the most recently updated firm brochure in its entirety, please download it from the SEC website as indicated above, or you may also contact our principal office at (803) 324-5464 or emailing our compliance team at [mstrosser@core-ria.com](mailto:mstrosser@core-ria.com).

We encourage you to read this document in its entirety.

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## **Item 4 – Advisory Business**

### **Firm Profile**

CORE Advisory Group, or "CORE" is an SEC registered investment advisor formed under the legal name of CORE Compliance Group, LLC. CORE is committed to helping clients, detailed in Item 7, build, manage, and preserve their wealth and assist in achieving their stated financial goals.

We manage accounts on a discretionary and/or non-discretionary basis and manage investment advisory services on a wrap or non-wrap fee basis. The services included under a wrap fee agreement will depend on each client's individual needs.

Our business model includes a network of investment advisory representatives ("IAR") located in their own separate offices in various states. These offices also may operate under a separate and independently owned "doing-business-as" ("DBA") name other than CORE. These names and logos may appear on the advisory representatives' sales and marketing materials and are not owned or controlled by CORE with the exception of CORE Advisory Group. All IAR's affiliated with CORE are properly licensed, qualified, and authorized to provide advisory services on behalf of CORE. All IAR's are also held to CORE policy, code of ethics, and subject to ongoing compliance and supervision.

### **Assets Under Management**

As of December 31<sup>st</sup> 2021, CORE managed \$152,965,923 in total regulatory assets under management, on a discretionary basis.

### **Years in Business**

Date of legal formation: October 2019

Initial ADV 2A filing date: March 2020

### **Principal Owners**

The founding members of CORE, Meredith Lee Strosser and William Merritt King, II established CORE Advisory Group, LLC as a legal entity as of October 2019.

### **Asset Management Services**

We offer discretionary and non-discretionary asset management services based on the individual needs of the client, for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investment assets, quarterly portfolio statements and ongoing monitoring services for the portfolio.

Understanding your personal situation is very important to the services we provide. Therefore, we will have detailed discussions with you to understand your current financial situation and investments, goals, risk tolerance, liquidity requirements, and investment objectives. The investment objective you select, which could range from income with capital preservation to aggressive growth, in conjunction with personal consultations, will guide us in managing your account. Once we have determined the types of investments to be included in your portfolio and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review our portfolios on at least an annual basis.

IAR's of CORE may also be registered representatives of LPL Financial ("LPL"), a full-service securities broker/dealer and investment advisor licensed under federal and state securities laws, located in San Diego, California. LPL is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Securities transactions for LPL brokerage clients are executed through LPL, a self-clearing firm.

LPL, as a qualified custodian, provides clearing, custody, and other brokerage services for client

accounts. While CORE may assist you in completing the custodian's paperwork, you are ultimately responsible for providing the necessary information to establish the account. CORE does not and will not custody account funds or securities. The approved Custodian will deduct all investment advisory fees, only upon the appropriate authorization from the client.

You will retain all rights of ownership on your account, including the right to withdraw securities or cash, vote proxies, and receive transaction confirmations. In addition, you will also have the ability to impose restrictions on investing in certain securities or types of securities at the time you open the account. In order to hire us to provide management services, you will be asked to enter into a written investment advisory agreement with us. This agreement will set forth the terms and conditions of our relationship, including the amount of your investment advisory fee and what services comprise the fee.

### **Advisory Platform Solutions**

#### **Strategic Wealth Management (SWM/SWM II)**

Strategic Wealth Management (SWM) is a comprehensive, open-architecture, fee-based investment platform. All asset management is on either a discretionary or non-discretionary basis as authorized by the client. In SWM, in addition to an annual investment advisory fee based on the value of the portfolio, clients pay nominal transaction charges. In SWM II, all transaction charges are the responsibility of CORE and the IAR managing the account. CORE generally does not require a minimum account value for this platform. Assets on SWM and SWM II platforms are custodied by LPL Financial.

#### **Manager Access Network (MAN)**

Manager Access Network (MAN) accounts are LPL Financial custodial accounts that make available the investment advice of third-party Money Managers. In addition to the account agreement, client must receive a copy of the Money Manager client agreement at account opening. Only one Money Manager and style may be assigned to each MAN account. Clients may maintain more than one MAN account by completing additional documentation.

### **Co-Advisory Platforms**

On a Co-Advisory Platform, LPL Financial acts as a broker/dealer, custodian, and investment advisor for a number of platforms provided including Manager Access Select, Optimum Market Portfolios, Personal Wealth Portfolios, and Model Wealth Portfolios. CORE also acts as investment advisor on these platforms and is considered the primary investment advisor on client accounts.

#### **Manager Access Select (MAS)**

Manager Access Select accounts are full wrap accounts designed to provide clients with access to high-quality, professional portfolio managers.

The Portfolio Manager selected by the client will manage the MAS account on a discretionary basis. The types of securities that may be purchased by the Portfolio Manager include stocks, bonds, mutual funds and ETFs. A Portfolio Manager may also hire one or more subadvisors to manage all or a portion of the MAS account. A minimum account value of \$100,000 is required for Manager Access Select.

In addition to account agreement and CORE required disclosures, client must receive a copy of the Manager Access Select Program Form Brochure.

CORE will provide the client with ongoing advice and monitoring of the Portfolio Manager's services and acts as the point of contact between the client and Portfolio Manager. LPL serves as investment advisor for the MAS program. LPL also provides research information to CORE, which may assist us in determining which Portfolio Managers to recommend to clients.

#### **Model Wealth Portfolios (MWP)**

The MWP program is a discretionary wrap platform offering access to the asset allocation and mutual funds and ETF selection expertise of LPL Financial Research. The program includes a centralized rebalancing component fulfilled by LPL Financial.

CORE and LPL both serve as investment advisor and provide ongoing investment advice.

Upon opening an MWP account we will select one or more model portfolio of funds designed by LPL or a third-party investment strategist based on your investment objective. CORE may also have the ability to change the Portfolio(s) selected for the account. LPL or the Portfolio Strategist is responsible for selecting the mutual funds and/or ETFs within a portfolio. LPL has discretion to buy and sell securities in the account according to the Portfolio(s) selected. A Portfolio Strategist does not have discretion, but instead provides LPL with asset allocation and fund recommendations. LPL also acts as an overlay portfolio manager in coordinating the trades in the account. Clients should refer to the MWP disclosure brochure for additional details. MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$10,000, however, most MWP portfolios require a minimum account value of \$25,000.

In addition to the account agreement and CORE required disclosures, client must receive a copy of the Model Wealth Portfolio Program Form Brochure.

#### **Personal Wealth Portfolios (PWP)**

The PWP program is a wrap account with mutual funds and separately managed accounts for equities with access to institutional money managers. LPL has discretion to buy and sell securities in the account and acts as an overlay portfolio manager. PWP offers a choice of five core asset allocation models along with incorporating a combination of large and small- capitalization stocks, growth and value-oriented securities, as well as international equities to further diversity the equity portion of the portfolio. The asset allocation models can be further customized to focus on a particular investment style or geographic preference.

CORE and LPL both serve as investment advisors and provide ongoing investment advice.

Except as noted above, IAR's are limited to providing Models to LPL and do not have discretion. A minimum account value of \$250,000 is required for PWP.

In addition to the account agreement and CORE required disclosures, client must receive a copy of the Personal Wealth Portfolio Program Form Brochure.

#### **Optimum Market Portfolios (OMP)**

Optimum Market Portfolio accounts offer clients the ability to participate in a professionally managed asset allocation program using the Optimum Funds Class I shares.

Both CORE and LPL serve as investment advisors and provide ongoing investment advice for the OMP program. There are up to six Optimum Funds that may be purchased within an OMP account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small Cap Growth Fund, Optimum Small Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. Upon opening an OMP account we will select a portfolio for you based on your investment objective. LPL will then rebalance the portfolio based on the frequency selected. A minimum account value of \$10,000 is required for OMP.

In addition to the account agreement and CORE required disclosures, client must receive a copy of the Optimum Market Portfolios Program Form Brochure.

#### **Small Market Solution Program (SMS)**

Under SMS, LPL Research, a team of investment professionals within LPL, creates and maintains a series of different investment menus. These menus consist of a mix of different asset classes and investment vehicles for clients that sponsor (Plan Sponsor) and maintain participant directed defined contribution plans. The Plan Sponsor is responsible for selecting the Investment Menu that it believes is appropriate based on the demographics and other characteristics of the Plan and its participants. LPL Research is responsible for the selection and monitoring of the investment options made available through Investment Menus (Fiduciary Selection Services). The investment options that are offered through SMS are limited to the specific investments available through the record keeper that the Plan Sponsor selects. The Plan Sponsor may only select an Investment Menu in its entirety and does not have the option to remove or substitute an investment option.

If the Plan is subject to ERISA, LPL will be a “fiduciary” and serve as “investment manager” (as that term is defined in section 3(38) of ERISA) in connection with the Fiduciary Selection Services. None of the services offered under SMS other than the Fiduciary Selection Services will constitute “investment advice” under 3(21)(A)(ii) of ERISA, or otherwise cause LPL or Advisor to be deemed a fiduciary.

In addition to the Fiduciary Selection Services, Plan Sponsor may also select from a number of non-fiduciary consulting services available under SMS that are provided by the Advisor. These consulting services may include, but are not limited to: general education, and support regarding the Plan and the investment options selected by Plan Sponsor; assistance regarding the selection of, and ongoing relationship management for, record keepers and other third-party vendors; Plan participant enrollment support; and participant-level education regarding investment in the Plan. These consulting services do not include any individualized investment advice to the Plan Sponsor or Plan participants with respect to Plan assets, and LPL and Advisor do not act as fiduciaries under ERISA in providing such consulting services.

### **Guided Wealth Portfolios (GWP)**

Guided Wealth Portfolio accounts offer clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal. CORE does not provide ongoing investment management or trading services for these accounts. Instead, investment recommendations to buy and sell open-end mutual funds and exchange-traded funds are generated through the proprietary, automated, computer algorithms of FutureAdvisor, Inc. A minimum account value of \$5,000 is required to enroll in the Managed Service.

By executing the Account Agreement, clients authorize LPL, CORE and FutureAdvisor to have discretion to buy and sell open-end mutual funds and exchange-traded funds according to the Model Portfolio selected.

Clients should refer to the GWP Program Brochure for additional information.

### **Third Party Investment Advisor Program (TPIA)**

CORE has entered into agreements with various independent third-party investment advisors (TPIA's). TPIA relationships can be in the form of (i) a solicitation agreement where CORE refers clients to the TPIA for investment management and receives a referral fee; or (ii) a co-advisory relationship where CORE provides investment advice on model and investment strategy selection, and TPIA provides the investment management, securities selection and trade implementation and both CORE and the TPIA share in the advisory fee. Under these programs, the TPIA often handles the day-to-day management of the accounts on either a discretionary or non-discretionary basis, depending on the program type. All TPIA's to whom CORE will refer clients will be a registered investment advisor with the Securities and Exchange Commission or applicable State Authority.

Before establishing a TPIA relationship, CORE considers criteria such as cost for service, experience, assets under management, performance record, client retention, level of client service provided, investment style, buy and sell disciplines, capitalization level, and general investment process.

Certain programs offered by a TPIA may be a “wrap fee” program, in which clients are charged a single fee for a bundle of services, such as investment management and trading. Clients should be aware that part of the “wrap fee” may be paid to CORE for introducing the client relationship to the TPIA and for the IAR providing ongoing supervision of the TPIA management of the client account. In these cases, the CORE IAR may have a conflict of interest to offer accounts to those TPIA’s. CORE seeks to mitigate this conflict by reviewing the TPIA programs selected and client agreements to ensure they are consistent with the clients stated investment profile.

### **Sub-Advisor Mutual Fund Models Program & Managed Account Program**

Client assets held in the sub-advisor Mutual Fund Models Program and/or Managed Account Program are held at various custodians. While CORE may assist you in completing the sub-advisor’s paperwork, you are ultimately responsible for providing the necessary information to establish the account. You will retain all rights of ownership on your account, including the right to withdraw securities or cash, and receive transaction confirmations. In addition, you will also have the ability to impose restrictions on investing in certain securities or types of securities at the time you open the account.

You will retain the right to vote proxies within the Sub-Advisor Mutual Fund Models Program and the Managed Account Programs. CORE is expressly precluded from voting proxies for securities and/or mutual fund shares held in any account and will not be required to take any action or render any advice with respect to the voting of proxies. In order to hire us to provide management services, you will be asked to enter into a written investment advisory agreement with CORE and the applicable sub-advisor. This agreement will set forth the terms and conditions of our relationship, including the amount of your investment advisory fee. You will be provided a copy of the subadvisor’s disclosure brochure in addition to CORE’s brochure and a copy of the advisory representative’s Brochure Supplement.

### ***Mutual Fund Models***

CORE offers asset management services through subadvisors, CLS Investments (“CLS”) and SEI Investments Management Corporation (“SEI”), based on the individual needs of clients. Within these programs, you will select a mutual fund model created by the sub-advisor that is solely comprised of mutual funds. We will assist you in selecting a model that is consistent with your investment objective and goals, and we will help you select a rebalancing frequency for your account. The sub-advisor will be responsible for rebalancing the portfolio according to their targeted asset allocations. Please refer to the sub-advisor’s brochure for additional details pertaining to the specific program.

### ***Managed Account***

CORE offers a managed account program through SEI whereby SEI develops managed account portfolios designed to be invested in accordance with the client’s stated investment objective. Under this program, SEI is responsible for screening, reviewing and selecting the various money managers, individual mutual funds, and other assets available for selection within the managed account portfolios, with the exception of the Distribution-Focused Portfolio (“DFS Portfolio”), by the advisory representative and the client. Within the DFS Portfolio, SEI is responsible for selecting the SEI Funds and other assets and is responsible for actively managing the client’s account in accordance with the portfolio’s stated investment objectives. Accounts managed through the MAP program are considered wrap fee accounts which are charged a bundled fee that includes advisory, brokerage, and custody services. DFS is also subject to a separate administrative fee that is not part of the bundled fee. Please refer to the sub-advisor’s brochure for additional details pertaining to the specific program.



### **CORE Portfolio Services**

CORE Advisors have the option of utilizing various model portfolios created and managed by CORE's Chief Investment Officer, William M. King. For information regarding Mr. King's investment management experience and qualifications, please refer to his Form ADV Part 2B Brochure Supplement, which has been provided to you along with this Firm Brochure.

Under this service model, the CIO does not generally work directly with the advisors' retail clients. Each advisor is responsible for determining their clients' suitability prior to their clients' investing assets within one of these models.

The types of models offered with the CORE portfolios may include, without limitation, ETF models, mutual fund models, individual equity models and combinations thereof. Each CORE portfolio is designated to meet a specific investment objective such as capital preservation, income with moderate growth, growth with income, growth, or aggressive growth. In addition, there is the ability to blend multiple models together to achieve a specific risk tolerance.

The annual program fee for the CORE portfolio services is typically 0.20% per annum of the amount invested within the portfolios. Additional details on this fee structure can be found within Item 5 of this brochure.

### **CIO Managed Portfolio Services**

CORE advisors have the option of working directly with our CIO, William M. King, for client accounts requiring more portfolio customization and collaborative strategic analysis. For example, assets that may have large unrealized capital gains will need to be managed over time to minimize potential taxation. For information regarding Mr. King's investment management experience and qualifications, please refer to his Form ADV Part 2B Brochure Supplement, which has been provided to you along with this Firm Brochure.

The CIO may or may not have direct contact with the client, depending on the level of engagement requested by the advisor. Although the CIO will have full discretion to buy and sell securities within the account, the advisor retains full control over the account and remains responsible for determining client suitability prior to investing assets according to the CIO's direction and on an ongoing basis.

CIO managed portfolios may utilize individual equities, mutual funds, and exchange traded funds ("ETF's") and often more than one type of asset will be present in an investment account. The CIO will continuously assess each individual accounts asset allocation and, in consultation with the advisor, make changes to the account to better suit the clients' investment objectives and risk tolerance.

The annual program fee for this investment service is generally 0.35% per annum of the amount invested in the clients' account and is subject to the complexity of the portfolio and type of customization required. Additional details on this fee structure can be found within Item 5 of this brochure.

### **Retirement Plan Advisory & Consulting Services**

CORE IAR's may assist clients that are trustees or other fiduciaries to retirement plans by providing fee-based consulting and/or advisory services. IAR's perform one or more of the following services, as selected by the client in the client agreement.

- Investment Policy Statement – IAR may assist the plan sponsor in developing or revising the plan's investment policy statement based upon its objectives and constraints.

- Service Provider Liaison – IAR may assist the Plan by acting as a liaison between the plan and its service providers, product sponsors and vendors based solely on instructions from the plan on investment or administrative matters and shall not exercise judgment or discretion.
- Ongoing Investment Monitoring – IAR will perform ongoing monitoring of investments and/or investment managers based on written guidance provided by the plan.
- Ongoing Investment Recommendations – IAR may recommend specific investments for plan sponsor to consider within the plan or to make available to plan participants (if applicable), and/or recommend replacement investments if an existing investment is deemed no longer suitable by the plan sponsor. All decisions regarding investment options to be made available to plan participants for purchase are the responsibility of the plan sponsor.
- Plan Sponsor/Committee Investment Education – IAR may provide education, training, and/or guidance for the members of the Plan Committee with regard to plan features, retirement readiness, plan duties and responsibilities, fiduciary responsibilities and on general investment product types and strategies.
- Performance Reports – IAR may prepare periodic performance reports, generated through a CORE approved vendor, to review performance of all plan investment options as well as comparing to benchmarks.
- Qualified Default Investment Alternative (QDIA) Assistance – IAR may assist client in identifying an investment alternative within the definition of QDIA under ERISA.
- Education Services to Plan Sponsor – provide training for members of the plan sponsor or any plan committee with regard to their services, including education with respect to their fiduciary responsibilities.
- Participant Enrollment – IAR may assist and/or provide resources to assist the plan in enrolling plan participants in the plan, including facilitating agreed upon enrollment meetings and providing participants with information about the plan such as terms and operation of the plan, benefits of plan participation, benefits of increasing plan contributions, and impact of preretirement withdrawals on retirement income.
- Participant Education – IAR may facilitate individual or group investment education meetings for plan participants providing information about investment options under the plan such as investment objectives and historical performance, explaining investment concepts such as diversification and risk and return, and providing guidance as to how to determine investment time horizon and risk tolerance. This will not include individualized investment advice for a particular participant.
- Changes in Investment Options – assist in making changes to investment options under the plan upon the plan sponsor's direction. CORE will have no discretion over the changes made or be involved in trade execution.
- Vendor Analysis – IAR may assist plan with the preparation, distribution and evaluation of requests for proposals, finalist interviews and conversion support.

- Benchmarking Services – IAR may provide plan with comparisons of plan data such as fees, services, participant enrollment and participant contributions levels to data from the plan’s prior years and/or similar plans.
- Assistance Identifying Plan Fees – IAR may assist plan in identifying fees and other costs incurred by the plan for investment management, recordkeeping, participant education, participant communication and/or other services provided.

The plan sponsor is responsible for determining whether or not to implement any recommendations provided by CORE. CORE does not take discretion with respect to plan assets and CORE does not provide individualized advice to participants in the plan.

In some situations, where agreed to in writing by CORE, certain specified investment management services may be provided to plan sponsors. These services include making investment selections and developing custom model portfolios.

In certain situations, an advisor providing Retirement Plan Consulting Services may also offer his/her advisory services to participants of the plan under the Participant Investment Advice Program and/or through Financial Planning Services. In this case, the advisor would be compensated for their services as advisor to the plan and as advisor to the participants of the plan.

#### **Participant Investment Advice Program**

CORE offers individualized investment advice to clients regarding retirement plan assets. Such advice includes periodic allocation and investment recommendations and monitoring of the client’s retirement plan account.

In certain circumstances, the advisor may have discretion on the account if the account is held at an approved custodian with which CORE has an agreement. In these instances, the advisor will access the client’s account via a login specific to the advisor. At no point in time will the advisor have the client’s personal login ID and password.

If the advisor does not have discretion over the client’s account, the client is solely responsible for placing any transactions that may be desired. CORE does not provide ongoing management as part of this service.

In order to hire us to provide these services, you will be asked to enter into a written investment advisory agreement with us. This agreement will set forth the terms and conditions of our relationship, including the amount of your investment advisory fee.

#### **Financial Planning Services**

Financial planning is a comprehensive evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service will receive a written report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. In general, the financial plan may address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, divorce, estate information and analysis of household income, expenses, and evaluating/establishing financial goals.

- **Tax & Cash Flow:** Income tax and spending analysis and planning for past, current and future years. We may illustrate the impact of various investments on a client's current income tax and future tax liability.
- **Death & Disability:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- **Education:** Analysis of projected educational expenses and approach to establishing savings initiative to achieve these goals.
- **Retirement:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- **Estate:** Analysis of financial issues with respect to living trusts, wills, estate tax, powers of attorney, asset protection plans, nursing homes, Medicare and/or Medicaid and elder law.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

CORE advisory representatives gather required client information through a combination of personal interviews and telephone and electronic communications. Information gathered may include a client's current financial status, tax status, future goals, return objectives and attitudes towards risk. Advisory representatives will review supporting documents supplied by the client. All recommendations are of a generic nature. The implementation of any specific financial plan recommendations is entirely at the client's discretion.

Clients wishing to engage CORE for financial planning services will be required to enter into a written financial planning agreement, advisory agreement, or wrap program agreement. Typically, the financial plan will be presented to the client within six months of the agreement date, provided that all information needed to prepare the financial plan has been promptly provided to the advisory representative by the client.

Financial planning and consulting services offered by CORE conclude upon delivery of the written financial plan or analysis. This service does not include implementation of any investment recommendations.

### **Hourly Consulting Services**

Clients can also receive investment advice on a more limited basis through consulting services. This may include advice on isolated area(s) of concern such as tax planning, investment planning, retirement planning, estate planning, cash flow/budgeting, personal financial planning, business planning, education planning, insurance planning, divorce planning, or any other specific topic. Clients wishing to engage CORE for consulting services will be required to enter into a written consulting services agreement, advisory agreement, or wrap program agreement.

Clients will not always receive a written financial plan from CORE when engaging us for consulting services as it is not required. Consulting services offered by CORE will conclude upon final consultation with the client. This service does not include implementation of any investment recommendations.

**Coaching Services**

Once financial planning goals have been identified, you may engage CORE for ongoing coaching. This differs from the financial planning process in that the wealth coach is engaged to help you make progress toward your stated goals. Coaching services are intended to assist you in staying on a prescribed plan for working toward financial goals.

Coaching services can be considered a continuation of the original financial plan, helping to reduce the frequency of needed financial plan updates, or conducted as a separate service. Client will select the desired services and determine the stated goal and length of the engagement on the initial agreement. Coaching services may include one or more of the following areas, as elected by the client on the coaching services agreement: tax planning, investment planning, retirement planning, estate planning, cash flow/budgeting, personal financial planning, business planning, education planning, insurance planning, divorce planning, or any other specific topic.

**WealthVision Maintenance**

Clients may choose to enter into an agreement with CORE whereby he/she has access to WealthVision personal financial information and wealth management software. The advisory representative will provide the client with maintenance services related to the client's personal WealthVision website, support of the aggregation function within WealthVision and support and training related to the software.

## **Item 5 Fees and Compensation**

### **Investment Management Fees and Compensation**

CORE charges a fee as compensation for providing Investment Management services on your account and/or other planning services. These services include advisory and consulting services, trade entry, investment supervision, and other account maintenance activities. The custodian may separately charge custodial fees, transaction costs, redemption fees, retirement plan and administrative fees or commissions. See additional fee and expense information below.

The annual advisory fee for management services is a maximum of 2.50% and is based on a percentage of the market value of your account, including cash holdings. The fee may also include Financial Planning and Consulting services if agreed upon. Advisory fees are negotiable between CORE and the client, and the amount of the advisory fee will be as agreed upon in writing between CORE and the client. The advisory fee may be higher than the fee charged by other investment advisors for similar services.

Advisory fees are billed quarterly in advance or arrears and calculated based on the account's market value on the last business day of the prior quarter. The initial advisory fee is due at the beginning of the quarter following execution of this Agreement and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Additional deposits and withdrawals will be added or subtracted from the account's value which may lead to an adjustment of the advisory fee. All assets under management will either be held with LPL Financial as custodian or will be held with a third-party approved custodian.

### **Non-Wrap Fee Basis**

If client engages CORE to provide discretionary and/or non-discretionary investment advisory services for a fee, the annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets. The IAR may at their discretion, negotiate a fee based on the following schedule:

Market Value	Annual Fee %
\$0 - \$500,000	2.0 – 2.5%
\$500,001 - \$1,000,000	2.25% or below
\$1,000,000 - \$3,000,000	2.00% or below
\$3,000,001 +	Negotiable
This schedule is guideline only; all fees and account value tiers are subject to negotiation at the sole discretion of CORE.	

### **Wrap Fee Basis**

Clients participating in separately managed account programs of TPIA's may be charged various program fees in addition to the advisory fee charged by CORE. Such fees may include the investment advisory fees of the TPIA, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory and other services. Client's portfolio transactions may be executed without commissions, markups or transaction charges in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the TPIA, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. The current annual advisory fee range is generally between 2%-2.5% but it is possible that certain client assets could incur additional advisory fees. We will review with clients any separate program fees that may be charged on their accounts.

Although neither Client nor the CORE advisory representative pay a transaction charge for transactions in the account(s), Client should be aware that CORE pays the custodian an annual administrative / asset-based pricing fee based upon a percentage of assets under management within the CORE Program account – this percentage is capped based on each advisory representatives' individual underwriting conducted at the time of joining CORE. Because CORE pays the Custodian an annual administration / asset-based pricing fee in lieu of paying transaction charges, there is a conflict of interest. Client understands that the cost to CORE of the annual administration fee may be a factor that he/she considers when deciding how much of an annual advisory fee to assess to the account(s).

### **CORE Portfolio Services**

The annual program fee for CORE portfolio services is generally 0.20% per annum of the amount invested in the CORE portfolio models. This fee is assessed as a reduction of the total advisor compensation on the account.

Example: Advisory fee = 1.25%

Net advisor % =  $1.25\% - 0.20\% = 1.05\%$

Although the Client does not directly pay this program fee, the client should be aware of this fee structure as it may present a conflict for his or her advisor, who may be inclined to assess a higher advisory fee than otherwise would be charged if the advisor were not utilizing the CORE Portfolio Service.

The fee assessed for participation in this program does not include trading fees. If the account is transaction-fee based, the client will incur the trading fees. If the account is a wrap fee program account, the advisor will incur the trading fees.

### **CIO Managed Portfolio Services**

The annual program fee for this portfolio service is generally 0.35% per annum of the amount invested in the clients' account. This fee is assessed as a reduction of the total advisor compensation on the account.

Example: Advisory fee = 1.25%

Net advisor % =  $1.25\% - 0.35\% = 0.90\%$

Although the Client does not directly pay this program fee, the client should be aware of this fee structure as it may present a conflict for his or her advisor, who may be inclined to assess a higher advisory fee than otherwise would be charged if the advisor were not utilizing the CORE Portfolio Service.

The fee assessed for participation in this program does not include trading fees. If the account is transaction-fee based, the client will incur the trading fees. If the account is a wrap fee program account, the advisor will incur the trading fees.

### **Third Party Investment Advisor Fees**

Fees and billing methods are outlined in each respective TPA's Brochure and Advisory Contract. CORE will be paid an on-going fee by the TPIA based upon a percentage of assets under management with the TPIA. You will receive disclosure of all fees paid to CORE by the TPIA, which include the terms of the compensation arrangement and a description of the compensation paid, at the time of signing an advisory agreement with the TPIA.

One particular TPIA, SEI Investments ("SEI"), offers programs with two different fee structures in which CORE clients can participate. One program is a separately managed account for which CORE clients are charged a fee by SEI for the day-to-day management of the client's assets. Clients in this program may also be charged a separate fee by CORE for its supervision and oversight of client accounts that utilize the

SEI program. The second type of SEI program in which clients may invest charges only a single advisory fee, 100% of which is paid to CORE. In this program, SEI does not charge CORE clients a separate fee and is instead compensated in other ways, such as through the receipt of brokerage commissions on transactions executed in the client's account or from the receipt of advisory fees from mutual funds or other investments in which your assets are invested as part of the program.

CORE and IAR's have a potential conflict of interest to recommend selections of TPIA's that would result in higher advisory fees paid to CORE, including recommendations to the SEI program for which CORE receives 100% of the advisory fee. CORE attempts to mitigate this conflict by reviewing the TPIA programs selected by clients and confirming consistency with the client's stated investment profile. CORE also has a fiduciary obligation to make recommendations based solely on your objectives and needs.

The minimum account size for participating in a TPIA program will vary by TPIA. All such minimums will be disclosed in the respective TPIA's Brochure. CORE may have the ability to negotiate such minimums for you.

You may terminate your relationship in accordance with the respective TPIA's disclosure documents. If you terminate your participation in a TPIA's program within five business days of inception, you will receive a full refund of the fee. Pre-paid fees will be refunded in accordance with the respective TPIA's agreement and disclosure documents.

For discretionary accounts, a TPIA relationship may be terminated at your IAR's discretion. CORE may at any time terminate the relationship with a TPIA that manages your assets. CORE will notify you of instances where we have terminated a relationship with a TPIA with which you maintain accounts through CORE. CORE will not conduct on-going supervisory reviews of the TPIA following such termination.

Factors involved in the termination of a TPIA may include a failure to adhere to their stated management style or your objectives, a material change in the professional staff of the TPIA, unexplained poor performance, service level decrease, unexplained inconsistency of account performance, or our decision to no longer include the TPIA on our list of approved managers. CORE IAR's may receive fees from mutual funds and variable annuities which are designated for management in a TPIA program, which may represent additional compensation to the CORE IAR above the compensation that he or she receives from CORE.

CORE offers several investment management programs. Account custodial services may be provided by several account custodians depending on the investment management program offered. Programs may have higher or lower fees than other programs available through CORE or available elsewhere. Investment management programs may differ in the services provided and method or type of management offered, and each may have different account minimums. Client reports will depend upon the management program selected. Please see complete details in the program brochure and custodial account agreement for each program recommended and offered.

#### **Financial Planning and/or Consulting Fees**

The fixed fee for initial financial planning services ranges from \$250 to \$15,000, and is negotiable depending upon the complexity and scope of the plan, the client's financial situation, and objectives. For hourly consulting services, clients pay an hourly charge, up to a maximum of \$400/hour as negotiated between CORE and the client. The initial financial planning services fee is charged on the start date of entering into the plan. For clients who require ongoing service for their financial plan, CORE may charge



a recurring fee, typically not to exceed \$2,500 per year, paid monthly, quarterly, bi-annually, or annually, with any outstanding balance due on December 31st. This fee is also negotiable, depending upon the complexity and scope of the plan, the client's financial situation, and objectives. Typically, financial planning fees will be due upon the client's acceptance of the plan. However, other fee payment arrangements may be negotiated. CORE currently accepts client payments for financial planning services via personal check, journal from a non-IRA account, ACH, and credit card through AdvicePay technology.

Prior to engaging CORE to provide planning or consulting services, clients are required to enter into a "Consulting Services Agreement" with the IARs of CORE, which sets forth the terms and conditions of the engagement, including fees. Once the agreement has been signed and approved by CORE, funds for planning services will be released to the IAR identified on the agreement. If for any reason the agreement is terminated prior to the completion of the project, any pre-paid fees received by CORE will be returned to Client on a pro rata basis.

Fees for financial planning and/or consulting and/or analysis on specific client needs will be determined on an individual basis. Fees will be discussed and agreed upon between the client and the investment adviser representative and will be specifically identified in the appropriate contract. In no case are our fees based on, or related to, the performance of your funds or investments.

As a financial planning client, you are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which CORE or an affiliated company may receive compensation. CORE attempts to mitigate this conflict by reviewing the recommendations made by CORE IAR's clients are consistent with your stated investment profile. CORE and its IAR's also have a fiduciary obligation to make recommendations based solely on your objectives and needs.

### **Retirement Plan Consulting Fees**

Fees for services will be billed based on one of the following methods listed below and in the amount as agreed upon between CORE and the plan sponsor in the written consulting services agreement and will be charged in arrears.

- Annual Flat Fee
- Annual Fee Based on a Percentage of Plan Assets
- One-Time Flat Rate Fee for Project Specific Work
- Hourly Rate

The level of fees will be set based upon the scope, nature and complexity of the services selected by the plan sponsor, the number of participants in the plan, and the overall size of the plan. Fees are negotiable between CORE and the plan sponsor. The typical maximum percentage-based fee per year is 1% per plan. Fees may be paid directly by the plan sponsor or out of plan assets by a service provider or other third party, as authorized by the plan sponsor.

In addition, the plan sponsor may pay a transition expense fee for the first year after the plan transitions to a new platform/product provider. This fee is intended to cover the additional services (e.g., fund mapping, assistance with enrollment, additional education to plan committee members and participants, etc.) that CORE will provide because of a transition.

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

### **Participant Investment Advice Program**

The annual advisory fee is based on a percentage of the market value of client's plan assets, including cash holdings, or set as a flat rate. The maximum annual percentage based advisory fee for services is 2.50% and the annual flat fee is dependent upon the size and complexity of client's assets. The fee is negotiable between CORE and the client, and all fees are due in arrears based on the frequency (e.g., monthly, quarterly) selected by the client. The fee may be higher than the fees charged by other investment advisors for similar services.

Client may incur certain charges imposed by unaffiliated third parties in addition to the advisory fees paid to CORE. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. CORE does not receive any portion of these third-party charges.

You may terminate the agreement for services with us at any time with written notice. Upon termination, CORE will be entitled to a prorated portion of any unpaid advisory fees owed from the last billing period to the termination date.

### **Coaching Services**

Fees are based on the complexity of the service, frequency of meetings, whether meetings are at our office or away from the office or on the telephone. Fees are clearly outlined and agreed to in advance in a coaching services agreement. Fees are negotiable and, on a case-by-case basis, CORE may charge a higher or lower fee depending upon the complexity of the Coaching Services.

Fees are due and payable to CORE every three months in advance of the next quarterly period. You will be sent an invoice for the quarterly fees.

You may terminate the coaching services within five (5) business days of execution of the coaching services agreement. After the five (5) day period, you may terminate the coaching services agreement upon written notice at any time.

Refunds for coaching services terminating during a quarterly period will be calculated based on time expended by CORE and multiplied by CORE's hourly rate of \$400 per hour. Coaching services are ongoing until terminated by client or CORE.

### **Client Technology & Wealth Vision Maintenance**

When a client enters into a WealthVision Maintenance agreement, the fee, as specified in Schedule A of the agreement, shall be paid upon execution of the Agreement and thereafter at the beginning of each annual period. It should be noted that the services to be provided by the advisory representative relate solely to the use and maintenance of the Client's WealthVision website and do not constitute investment or financial planning advice.

### **Brokerage & Insurance Product Fees**

In addition to providing advisory services through CORE, IARs may also sell or recommend investment and insurance products in their capacity as registered broker/dealer representatives of LPL Financial Corporation and as licensed insurance agents, including but not limited to variable life insurance, variable annuities, private placement programs, 1035 Exchange (also called a Like-Kind Exchange) of life

insurance (collectively, “Third-Party Products”). Investments in these Third-Party Products are not considered when calculating the fee that CORE will charge you. However, CORE IAR’s receive compensation from the sale of these Third-Party Products, the amount of which varies depending on the type of product purchased. IAR’s acting as a broker agent (as opposed to investment advisor representative and/or insurance agent capacity) may therefore have a financial incentive to sell products for which the IAR will receive greater compensation than other financial products. When IAR’s of CORE receive commissions in connection with the sale of securities products recommended to our advisory clients, CORE may reduce a portion of its fees by the amount of the commissions earned by CORE’s IAR’s. CORE does not participate in any soft dollar arrangements.

You should know that CORE does not monitor or supervise CORE IARs’ activities with respect to Third Party Products, including any particular conflicts of interest resulting from selling products with different fees. Those activities are instead supervised by the broker, LPL, and insurance company with which the CORE IAR is associated. A de minimis number of CORE IAR’s are also IAR’s of LPL’s investment advisory business in connection to discretionary ERISA Plans and, as such, serve as “Investment Managers” per ERISA Rule 3(38). In these circumstances, the IAR’s are supervised by LPL and are required to follow LPL’s policies and procedures when acting in such capacity.

### **LPL Financial Custodian Fees**

In-house investment advisory accounts may be custodied with LPL Financial via a SWM I or SWM II account. When utilizing a SWM I account, the client will bear transaction charges for purchases, sales and exchanges in the account, including for mutual funds, equities, fixed income securities and options. Within a SWM II account, the transaction costs are borne by the Advisor. However, when mutual funds within a SWM I/SWM II account charge 12b-1 fees (typically Class A shares), the client will bear those fees.

The transaction charges vary based on security type (see SWM I/SWM II Account Agreement for current fees). In the case of mutual funds, the transaction charges vary depending on whether LPL retains compensation from the mutual fund and therefore assesses a lower transaction charge. Transaction charges are thus typically higher for mutual funds with lower expense ratios.

Advisors may adjust the advisory fee charged on assets in a SWM II account to offset the transaction charges they absorb on behalf of the client, particularly when selecting lower expense mutual funds.

According to LPL’s SWM/SWM II account agreement: “transaction charges are paid to LPL to defray costs associated with trade execution; however, they are not directly related to transaction-related expenses of LPL and are a source of revenue to LPL.”

### **Sub-Advisor Mutual Fund Models Program & Managed Account Program**

Depending on which sub-advisor is selected, advisory fees may be billed quarterly in arrears or quarterly in advance and may be calculated based on the account’s market value on the last day of the previous quarter or on the average daily account value during the previous quarter. Advisory fees are negotiable between CORE and the client, and the amount of the advisory fee will be as stated within the application to establish the account.

Depending on which sub-advisor is selected, the subadvisor may act as the qualified as custodian or the subadvisor may leverage a qualified third-party custodian. The custodian is responsible for calculating and deducting all advisory fees from your account.

The advisory fee is shared between CORE and its advisory representative. Depending on which co-advisor is selected, the sub-advisor may earn a portion of the advisory fee and/or may assess a Program Fee to the account in addition to the advisory fee charged by the CORE advisory representative. Please refer to the subadvisor's firm brochure and advisory agreement for more information.

As the sub-advisor Mutual Fund Models Program and Managed Account Program invest in mutual funds, please note that you will pay the fund a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to CORE. As the funds may be purchased directly, you could avoid the second layer of fees by not using our management services and by making your own investment decisions.

The program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and we would have no duty to provide ongoing advice with respect to the account. You may terminate the agreement for services with us at any time with written notice. Upon termination, any earned and unpaid fees will be immediately due to CORE. For additional information, refer to Item 12 – Brokerage Practices.

### **Additional Fees & Expenses**

Advisory fees payable to us do not include the fees you may pay when we purchase or sell securities for your account(s). The following list of fees or expenses are what you may pay directly to third parties, whether a security is being purchased, sold or held in your account(s) under management.

- Brokerage commissions
- Transaction fees
- Exchange fees
- SEC fees
- Advisory fees and administrative fees charged by Mutual Funds, and/or Exchange Traded Funds (ETF's)
- Advisory fees charged by sub-advisors (if any are used for your account)
- Custodial fees
- Deferred sales charges (on MF's or annuities)
- Odd-lot differentials
- Transfer taxes
- Wire transfer and electronic funds processing fees
- Fees on existing variable annuities that may have been subject to trailing service fees, deferred sales charges, and mortality and expense fees
- Fees on mutual fund assets held in your account that may have been subject to deferred sales charges, 12(b)(1) or shareholder servicing fees, administrative fees and other mutual fund annual expenses as described in the fund's prospectus.

Brokerage fees and commissions are charged to you for securities trade executions. These brokerage fees may be billed to you by the broker/dealer or custodian of record for your account, not CORE. Any such fees are exclusive of, and in addition to, CORE compensation. You will be solely and directly responsible for all fees, including other than CORE fees billed directly to you.

### **Conflicts of Interest Involving Fees**

Conflicts of interest involving fees are addressed first and foremost by making you aware of them by way of this brochure. Secondly, we periodically evaluate the overall annual cost to our clients in connection with our advisory services. As a general guideline, we look for total client costs associated not only with our advisory services but the resulting transactions carried out in connection therewith not to exceed 3.0% (on an annual basis) of your assets that we have been assigned to manage. Keep in mind that Third Party

Products (i.e., brokerage and insurance products) offered by your CORE IAR may charge fees in addition to the fees charged by CORE and CORE does not monitor or compare those fees to the fees it charges for investment advisory services.

You are always welcome to request a current copy of our brochure. We are obligated to provide you a copy of the brochure no later than the time you sign an agreement with us, as applicable, annually we are required to provide you either a copy of our current brochure or instructions on how to request a copy of our current brochure.

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

This Item is not applicable as CORE does not 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**

CORE offers investment advisory services to individuals, high-net-worth individuals, retirement plans, corporations, LLC's, profit sharing plans, trusts, and charitable organizations. CORE does not usually require a minimum for establishing or maintaining a client's account.

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

CORE offers the investment advisory services described in this brochure through its advisory representatives located in various states and office locations. Each client is responsible for selecting his or her own advisory representative. Each advisory representative is responsible for determining his/her investment strategies and methods of analysis. For more information about the individual advisory representative managing or handling your account, refer to the brochure supplement for the advisory representative, a copy of which you should have received along with this brochure. For more information about your CORE advisory representative's management style, we also encourage you to speak with your advisory representative.

The following outlines the types of investment strategies and methods of analysis that may be used by our advisory representatives in managing or handling your account. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Advisory representatives of CORE are responsible for constructing a portfolio using an asset allocation mix that is appropriately diversified and consistent with your investment objective for account. While the majority of our advisory representatives invest in mutual funds and ETFs within accounts, other securities types are also used as discussed throughout this brochure. We typically do not engage in active trading when managing accounts. Our goal is to construct a portfolio using an appropriate mix of investments consistent with your investment objective, and then monitor the account and rebalance as necessary when the percentages of certain holdings exceed or fall below target allocations.

In some cases, our advisory representatives may use index strategies based on efficient market theories when managing accounts. Index management is a financial strategy that does not entail any forecasting or market timing. The goal is to minimize transaction costs, maximize diversification and avoid adverse consequences of failing to correctly anticipate the future. This strategy is implemented by constructing a portfolio of multiple mutual funds that are designed to track markets. By tracking the market, a portfolio is highly diversified, has low turnover and low internal mutual fund management fees.

Advisory representatives focus on one of the following investment objectives based on the client's goals and risk tolerance: income with capital preservation, income with moderate growth, growth with income, growth or aggressive growth. The allocation of assets to different mutual funds or other securities in a

Program account will be made based on these overall objectives as well as based on consultations with the client.

As stated above, we generally use the following types of investment vehicles within investment advisory accounts: mutual funds (including asset allocation funds, index funds, international funds, emerging market funds, real estate funds, high yield bond funds and funds that short the market), ETFs (including commodity funds, precious metal funds and agricultural funds), variable annuity subaccounts, alternative investments (including managed futures funds, hedge funds, real estate investment trusts and business development companies), individual stocks and bonds. The particular investments selected for your account will depend upon your investment objective, level of risk tolerance, sensitivity to taxes, and other factors.

When choosing to work with a TPIA, we do not manage or control the underlying investments. A risk of investing with a TPIA who has been successful in the past is that they may not be able to replicate the same success in the future. In addition, as we do not control the investment portfolio, there is also a risk that a TPIA may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for your stated goals and objectives. CORE examines the experience, expertise, investment philosophies, and past performance of TPIA's in an attempt to determine if that manager has demonstrated the ability to invest over a period of time and in different economic conditions. Additionally, as part of our due diligence, we seek to obtain an understanding of the TPIA's compliance and business enterprise risks.

There are principal and material risks associated with investing in securities. These risks may affect your account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolio from achieving its stated investment objective. It is important to read all the disclosure information provided and to understand that you may lose money by investing in any of our investment strategies.

The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- **Stock Market Risk** – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- **Managed Portfolio Risk** – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- **Industry Risk** – The portfolio's investments could be concentrated within the industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- **Non-U.S. Securities Risk** – Non-U.S. Securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- **Emerging Markets Risk** – To the extent that your portfolio invests in issues located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of those investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Currency Risk** – The value of your portfolio's investments may fall as a result of changes in exchange rates.

- **Third Party Investment Advisor (TPIA) Risk** – A risk associated with this type of analysis is that past performance is not a guarantee of future results. While a TPIA may have demonstrated a certain level of success in past economic times. The TPIA may not be able to replicate that success in future markets. In addition, just because a TPIA may have invested in certain manner in past years, does not mean that they may not deviate from its strategy in future years. To mitigate this risk, CORE attempts to select TPIA's with proven track records that have demonstrated a consistent level of performance and success.

#### **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have no information applicable to this Item.

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

**BrokerDealer Affiliation** - CORE is only in the business of providing investment advice as described above. However, as also noted above, advisory representatives of CORE may also be registered representatives of LPL, an SEC registered broker/dealer and member of the Financial Industry Regulatory Authority. In this capacity, the advisory representative can sell securities to clients and receive normal and customary compensation in the form of commissions. Currently, LPL Financial is the only CORE approved custodian for all affiliated advisory representatives. Client's purchasing securities from an advisory representative will receive disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions. For more information, refer to Item 5 – Fees and Compensation.

LPL's parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol "LPLA". Certain advisory representatives of CORE are shareholders and/or option holders of LPLA.

**Insurance** - Certain advisory representatives are also licensed as independent insurance agents and appointed through various insurance companies to offer a variety of types of insurance depending upon the individual. The types of insurance that may be available include life insurance, long term care insurance, fixed annuities and disability insurance. In such capacity, the advisory representatives can sell insurance products to clients and receive normal and customary compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents and complete an insurance application process when conducting such transactions.

**Third-Party Referrals** - As described elsewhere in this brochure, CORE refers clients to third party investment advisory firm (TPIA's) for advisory services. CORE receives a portion of the investment advisory fee paid by the client to the TPIA for the referral. This referral fee may be a percentage of assets under management (generally ranges from 0% to 1.00%) or as a flat annual fee (maximum of \$800). This presents a conflict of interest as CORE does not refer clients to other TPIA's that do not share the advisory fee. In some cases, the TPIA will also pay additional compensation to CORE in the form of an asset retention bonus or loyalty program payment. This also presents a conflict of interest in that CORE has a financial incentive to recommend that you maintain your account with a TPIA that pays an asset retention bonus or loyalty program payment. For further information, please refer to Item 4 – Advisory Business and Item 5 - Fees and Compensation.

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

We take great pride in our commitment to serving our clients' needs and in the integrity with which we conduct our business. CORE has adopted a Code of Ethics which establishes the standards of conduct for

its supervised persons. Our Code of Ethics addresses issues such as integrity, objectivity, competence, fairness, confidentiality, professionalism, diligence, and process of reporting of any violations.

The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and other applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings no less frequently than quarterly to CORE and requires CORE to review those reports. Each supervised person receives a copy of the Code of Ethics and must acknowledge in writing having received the materials on an annual basis. Clients and prospective clients may obtain a copy of the Code of Ethics by contacting CORE.

It is our policy not to affect any principal trades for client accounts. Principal trades are generally defined as transactions where an advisor, acting for its own account, buys from or sells a security to an advisory client. It is also our policy not to cross trades between your account and the account of another client.

CORE and its advisory representatives may buy or sell securities for our personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is our policy that all persons associated with us in any manner must place the interests of clients ahead of their own when making personal investments. In addition, we require that client transactions be placed before our own transactions. We also monitor trading by our advisory representatives.

LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company. CORE does not recommend or solicit orders of LPL Investment Holdings Inc. stock in Program accounts due to our ongoing affiliation with.

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

CORE has entered a relationship with LPL Financial to serve as custodian and executing broker/dealer for asset management accounts. CORE requires that clients select and direct the custodian as the sole and exclusive broker/dealer to execute transactions for those accounts. All advisory account transactions will be processed without commissions. While CORE believes that the available custodian has execution procedures that are designed to obtain the best execution possible, there can be no assurance that best execution will be achieved. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

CORE receives support services and/or products from custodians, many of which assist CORE to better monitor and service client accounts. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- Investment-related research
- Pricing information and market data
- Software and other technology that provide access to client account data
- Compliance and/or practice management-related publications
- Consulting services
- Attendance at conferences, meetings, and other educational and/or social events
- Marketing support and approval

These support services are provided to CORE based on the overall relationship between CORE and the custodian. It is not the result of soft dollar arrangements or any other express arrangements that involve



the execution of client transactions as a condition to the receipt of services. CORE will continue to receive the services regardless of the volume of client transactions executed with a custodian. Clients do not pay more for services because we receive these benefits. There is no corresponding commitment made by CORE to a custodian or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of these arrangements.

When providing Retirement Plan Consulting services, CORE may assist with investment recommendations to the retirement plan sponsor. This could include research and recommendations, for consideration and selection by the plan sponsor, of specific investments to be held in the plan or, in the case of a participant-directed defined contribution plan, to be made available as an investment option under the plan. The plan sponsor is responsible for the selection of any vendor, broker/dealer or custodian for plan assets, and is responsible for placing any transactions deemed appropriate.

The financial planning and coaching services offered by CORE conclude upon delivery of the written financial plan or analysis. The services offered do not include implementation of recommendations or any transactions. Clients are under no obligation to implement the planning recommendations at all or through advisory representatives of CORE. Clients are free to select any broker/dealer or investment advisor for implementation. However, CORE may suggest that clients implement recommendations set forth in the financial plan through an advisory representative in his/her capacity as a registered representative of LPL. If the client chooses to implement through the advisory representative, he/she would receive normal and customary commissions as a registered representative resulting from any securities transaction.

#### **Item 13 – Review of Accounts**

Advisory representatives conduct reviews of client accounts on a periodic basis (at least annually) for consistency with the client's stated investment objectives, among other factors. Client account reviews may also be triggered upon client request, a change in client circumstances, or unusual economic or market activity. All accounts held at LPL are also subjected to a risk-based exception reporting system that flags accounts on a quarterly basis for criteria such as trading activity and position concentration. The exception reporting identifies accounts where additional scrutiny or analysis by CORE may be appropriate.

For accounts held at custodians other than LPL, accounts will be reviewed based on similar criteria on either a manual sampling basis or an automated basis, depending on the capabilities of the custodian to support exception reporting.

During any month that there is activity in a MAS, MWP, PWP, SMS, GWP or OMP account, you will receive a monthly account statement from the custodian showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs unless the transaction is a result of a systematic purchase, redemption, or exchange. All LPL account data and statements are also available online through the LPL Account View portal. Additional reporting may also be available upon request from your advisory representative. For accounts where LPL serves as the custodian, you will also receive a detailed quarterly performance report prepared by LPL on behalf of CORE.

For GWP accounts participating in the Managed Service, client may access monthly account statements and transaction confirmations through LPL's web based AccountView portal. Detailed quarterly performance data is available in electronic form through the Investor Portal. Users of the Educational Tool do not receive any reporting.

Within the Sub-Advisor Mutual Fund Models Program & Managed Account Program, the subadvisor will provide clients with account statements and performance reports. Advisory representatives of CORE will

review the client's accounts on a periodic basis and meet with clients to review the account statements and performance reports.

Participant Investment Advice Program accounts are reviewed on a quarterly basis as long as the Client provides their advisory representative with a copy of a current account statement or view only access to the account online. As stated above, the financial planning services terminate upon delivery of the financial plan or consulting service. Thus, there are no ongoing reviews conducted by CORE. However, the client may choose to engage CORE for subsequent services to review and update the written plan at any time due to major life events or changes in the economic environment. Upon re-engaging CORE for an updated plan, the client would enter into a new financial planning or consulting services agreement. Also, as stated above, the coaching services are ongoing and provided based on the menu of services described in Item 4 – Advisory Business.

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

##### **Client Referral to CORE**

In accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940, and any corresponding state securities law requirements. CORE may from time to time compensate, either directly or indirectly, any person for client referrals received. These individuals are referred to as solicitors and CORE pays them a portion of the advisory fee paid by the client. When a solicitor is used, the arrangement will be disclosed in writing to the client through a disclosure document signed by the client at the time the account is opened. Any such referral fee shall be paid solely from CORE's investment management fee outlined in the agreement and shall not result in any additional charge to the client.

##### **CORE Referral**

If CORE introduces a client to another investment advisor or an investment manager, CORE may be paid a referral or solicitor fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940 and any corresponding state securities law requirements. Any such referral fee shall be paid according to a fee disclosure statement provided to the client at the time that the referral is made.

As previously mentioned, CORE may receive referral fees from TPIA's. Fees and billing methods are outlined in each respective TPIA brochure and Advisory Contract. CORE will generally be paid an on-going fee by the TPIA based upon a percentage of your assets under management with the TPIA. You will receive a copy of our agreement with the TPIA which will disclose all such fees.

When CORE is acting as an unaffiliated solicitor, CORE at the time of the solicitation, shall disclose the nature of its solicitor relationship. CORE shall provide each prospective client with a copy of the CORE written disclosure statement from the investment advisor or investment manager. This statement discloses the terms of the solicitation arrangement between CORE and the investment advisor or investment manager, including a description of the compensation to be received by CORE.

##### **Other Compensation**

Because of our relationship with LPL, we will receive production bonuses, stock options to purchase shares of LPL's parent company, and other things of value such as free or reduced-cost attendance to LPL conferences and events. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL. Thus, there is a financial incentive for us to recommend that you establish an account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client's best interest.

As stated previously, advisory representatives of CORE may also be registered representatives with LPL. If an advisory representative who is also a registered representative with LPL has recently become

associated with CORE, the advisory representative may have received payments from LPL in connection with his/her transition to LPL as a registered representative and CORE as an advisory representative from another broker/dealer and investment advisor firm. Meredith Strosser, as CCO of CORE and LPL branch manager, will receive a portion of such payments. These payments, which may be significant, will be allocated to a CORE account and are intended to assist the registered representative/advisory representative with the costs associated with the transition, such as moving expenses, leasing space, furniture, staff and termination fees associated with moving accounts; however, there is no verification to confirm the use of these payments for such transition costs. These payments may be in the form of loans to the advisory representative, which are repayable to LPL or forgiven by LPL based on years of service with LPL (e.g., if the registered representative/advisory representative maintains a relationship with LPL for 5 years) and/or the scope of business engaged in with LPL, including the amount of advisory assets custodied with LPL that are managed by the CORE advisory representative. The receipt of these payments presents a conflict of interest in that an advisory representative has a financial incentive to recommend that a client engage with CORE and the advisory representative for advisory services in order for the loan to be forgiven. However, to the extent we recommend you establish or maintain an account with CORE and LPL, it is because we believe it is in your best interest to do so, based on your goals and objectives, as well as the services offered. CORE has processes in place to review advisory representative managed accounts for suitability over the course of the advisory relationship.

#### **Item 15 – Custody**

All client account assets are held by a qualified custodian. CORE does not have custody of client funds or securities. Custody for all SWM, MAS, MWP, PWP, GWP and OMP accounts is maintained by LPL Financial, our designated qualified custodian.

Custody of assets for Sub-Advisor Mutual Fund Models Program & Managed Account Program, are maintained by the qualified custodian associated with the sub-advisor. You will receive account statements directly from that custodian at least quarterly. We encourage you to carefully review these statements upon receipt.

CORE is independently owned and operated and is not affiliated with any third-party custodians we use. CORE is not responsible for the actions of a client's custodian. Clients should carefully review account statements received directly from the qualified custodian. We urge you to carefully review such statements and compare such official custodial records to the reporting that we may provide to you. These additional reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. This additional reporting does not take the place of the official statements that you receive from the custodian.

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

Upon your written authorization in our investment advisory agreement, we will provide discretionary investment advisory services for your investment advisory account. Our discretionary authority is limited only to affecting trades in your accounts; we will determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each trade.

Within MAS and other third-party management programs, we do not have any discretionary authority with respect to your account. The Portfolio Manager is the party with discretion and responsibility for account management. Within MWP, our discretionary authority is limited to selecting one or more model portfolio of funds or Portfolio Strategists for your account. LPL is the party with discretion to rebalance your account as needed. Within PWP, our discretionary authority is limited to selecting the Portfolio for your account and then selecting from among the mutual funds, ETFs or Models available in the Portfolio. Again, LPL is the party with discretion. Finally, within OMP, our discretionary authority is limited to selecting a portfolio for you based on your investment objective for the account. LPL is the party with

discretion to rebalance your account as needed. For further information about MAS, MWP, PWP, GWP or OMP, kindly refer to the disclosure brochure for the applicable program.

Within the Sub-Advisor Mutual Fund Models Program & Managed Account Program, the client authorizes the sub-advisor to rebalance the account on a periodic basis consistent with the target asset allocations determined by the sub-advisor for the portfolio strategy selected by the client. CORE and its advisory representatives do not have any discretionary authority within this program.

We do not exercise any discretionary authority when providing Retirement Plan Consulting Services, or when providing services in the Participant Investment Advice Program unless the account is held at an LPL approved custodian and the advisory representative has been approved to become the agent of record on the account, or when providing financial planning and consulting services.

We will not have access to your funds or securities except for having advisory fees deducted from your account and paid to us by the custodian. Any fee deduction will be done pursuant to your prior written authorization provided in your investment advisory agreement.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and retain sole responsibility for voting. CORE IAR's may, however, provide clients with consulting assistance regarding proxy issues if such assistance is requested by the client.

If the client is participating in the Sub-Advisor Mutual Fund Models Program or Managed Account Program, the sub-advisor may have the right to do so. Please refer to the sub-advisor's firm brochure and advisory agreement for more information.

#### **Item 18 – Financial Information**

CORE does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year. CORE has no financial commitment that impairs our ability to meet contractual or fiduciary commitments to clients, and we have not been the subject of a bankruptcy petition.

#### **Brochure Supplements**

For more information about the advisory representative managing your account, please refer to their Brochure Supplement, which should have been provided by the advisory representative along with this Brochure at the time the account was opened. If client did not receive a Brochure Supplement, client should contact CORE for a copy at (803) 324-5464.