

# **The ManagedPlan Program**

## **Wrap Fee Disclosure Brochure**

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**March 29, 2023**

The ManagedPlan Program is offered by Fiduciary Advisors, LLC. This wrap fee program brochure provides information about the ManagedPlan Program and the qualifications and business practices of Fiduciary Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (267) 613-6252 or [gerrit@fiduciaryadvisors.com](mailto:gerrit@fiduciaryadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

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

## **Material Changes**

Fiduciary Advisors (“FA”) has the following material changes to report, which may relate to Fiduciary Advisors’ policies, practices or conflicts of interests. Since our last annual update filed March 30, 2022, the following are the material changes to this brochure:

- In March 2023, our office address was updated as indicated on the Cover Page of this brochure.

If you have any questions or would like a complete copy of our revised Disclosure Brochure, please contact us at (267) 613-6252 or [gerrit@fiduciaryadvisors.com](mailto:gerrit@fiduciaryadvisors.com). Additional information about Fiduciary Advisors, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ***About The ManagedPlan Program***

The ManagedPlan Program (“ManagedPlan”) is offered through select broker-dealers and registered investment advisers (collectively “Participating Firm(s)”) and through persons appointed by the principals of such Participating Firms (“Financial Advisors”). ManagedPlan is offered by Fiduciary Advisors, LLC (“FA”), an SEC registered investment adviser. Registration with the SEC does not imply endorsement by the SEC or a certain level of skill or training by the registered investment advisory firm.

FA offers ManagedPlan to both retirement plans and to individual investors.

## **Advisory Services**

### ***Services***

*ManagedPlan* offers access to an open platform of thousands of no-load or load-waived funds (“Funds”) and independent investment managers with different investment philosophies and approaches evaluated by FA to provide discretionary portfolio management services (“Investment Managers”). Investments are offered and portfolios constructed by Investment Managers from the Funds available through a qualified, independent custodian. Where an Investment Manager is selected, it typically provides five (5) to eight (8) managed portfolios (“Portfolios”), each with a different investment horizon and risk/reward criteria. Each Portfolio is constructed using mutual funds and/or exchange traded funds (ETFs). Investment Managers provide continuous supervision and rebalancing of their Portfolios based on their own investment philosophy.

For sponsors of participant-directed retirement plans (“Plans”), Investment Managers may also provide discretionary management over the plan’s Designated Investment Alternatives (“DIAs”) or “core” Funds as well as the plan’s Portfolios.

In the case of Plans covered by Employee Retirement Income Security Act of 1974 (“ERISA”), each Investment Manager acknowledges that it is an “investment manager” within the meaning of ERISA Section 3(38) and a “fiduciary” within the meaning of ERISA Section 3(21) with respect to investment advisory or management services provided to each Plan that it services under *ManagedPlan*.

The Investment Manager is solely responsible for selecting and monitoring the Funds and is granted sole discretion to replace Funds and reallocate and rebalance the Portfolios in accordance with the Plan’s Investment Policy Statement (“IPS”) or, in the case of individual clients, his/her stated investment objective, risk tolerance and investment time horizon. Before management begins, reasonable restrictions on management may be imposed, including designating particular securities or types of securities that should not be purchased or that should be sold if held in the account. Requests must be made in writing. *ManagedPlan* will forward such requests to the Investment Manager.

Disclosure brochures are provided for each Investment Manager which describe, among other things, their investment strategies, potential risks, conflicts of interest, and other information to consider before selecting the Investment Manager.

### ***Financial Advisor’s Services***

Financial Advisors assist in completing the paperwork necessary to participate in *ManagedPlan*, including completing a risk tolerance questionnaire, establishing the account(s), and may, under certain circumstances, assist in selecting the appropriate Investment Manager and/or Portfolios based upon current investment goals and financial situation.

In the case of a Plan, the Financial Advisor assists by collecting census information, and maintaining ongoing contact with the Plan sponsor. The Financial Advisor typically conducts enrollment meetings with Plan participants and may also provide support to Plan sponsors (e.g., education concerning the Plan provisions and operations, assistance with selecting and monitoring Plan services providers, fee benchmarking, etc.). Certain Financial Advisors to Plans may also assist the Plan fiduciaries with monitoring the Plan's Investment Manager and may recommend another Investment Manager if necessary.

Financial Advisors may provide services in a variety of capacities, including as solicitors for the ManagedPlan Program. Financial Advisors may or may not, however, provide services as an ERISA fiduciary or registered investment advisor. Plan sponsors should evaluate the disclosures provided by the Participating Firm and/or the Plan's Financial Advisor to determine the specific services provided to the Plan.

#### Plan Recordkeeping Services for Retirement Plans Only

PCS Retirement, LLC ("PCS"), an affiliate of FA, provides recordkeeping services to Plans participating in *ManagedPlan*. Such services include:

- Daily processing and reconciliation of account activity (e.g. daily valuation of the plan);
- Maintenance of Participant Level Accounts by Source and Investment;
- Providing web access to Plan level and participant level information;
- Contribution processing;
- Recording vesting of participant's accrued benefits;
- Processing Plan participants' distributions, withdrawals, and loans requested through PCS' website or via telephone through their participant service center;
- Preparing and mailing statements and confirmations to Plan participants.

#### Custodial Services

FA will suggest and arrange for an independently qualified custodian to hold your assets and execute brokerage transactions for account(s). FA reviews custodians and makes its recommendations based on the custodian's charges, quality and quantity of services, communications, and execution quality. In all cases, the recommended custodian must meet the definition of a "qualified custodian" as defined by rules under the Investment Advisors Act of 1940.

#### Assets Under Management

The assets under management in *ManagedPlan* were \$333,417,474 as of December 31, 2022 and are managed on a Non-Discretionary Basis.

## Fees and Compensation

#### ManagedPlan

The annual fee covers services of the Investment Manager, Participating Firm, Financial Advisor, FA, and custodial costs, as applicable, in a single asset-based fee ("Platform Fee"). This annual fee is based on the value of assets in the plan and is billed quarterly in advance. For retirement plans, the Platform Fee typically ranges from 0.50% to 1.50% per annum depending on the size and complexity of the Plan. The Platform Fee is negotiable and is agreed upon with you prior to opening the account.

In addition, some mutual funds pay 12b-1 fees to third parties for distribution-related services and fees for administrative services. These 12b-1 and administrative fees are reflected in the net asset value of a Fund's shares. These types of fees are typically deducted directly from the Plan participants' investments, and such fees may be used to compensate the Plan's service providers indirectly. Please see each mutual fund's prospectus for a complete description of the fees charged to investments held by Plan participants. All fund fees and revenue sharing payments received by ManagedPlan will be offset on a dollar-for-dollar basis against the Plan's plan-level fees.

Mutual funds may impose redemption fees on investments held for less than a minimum period. Although reasonable efforts may be made by Investment Managers to avoid redemption fees, there is no assurance that redemption fees will not be charged when exiting an investment strategy or asset allocation model. Redemption fees are charged by mutual funds and are not included in the Platform Fee.

Any Fund(s) utilized by a Plan as Qualified Default Investment Alternative ("QDIA") or held within a Portfolio designated as such by the Plan will not include any mutual funds that impose a redemption fee in the Plan's QDIA(s), provided, however, that the Investment Manager is informed by the Plan, in writing, as to the QDIA status of the Fund(s) and/or Portfolios.

Depending on the agreement with the custodian, FA may receive an additional fee on assets invested in the money market fund, stable value fund, or sweep account. Such fees represent additional compensation to FA above-and-beyond the Platform Fee.

#### *Paying the Platform Fee*

*ManagedPlan* considers the inception date to be the date(s) assets first become available for the selected Investment Manager(s) to manage. Other than during the inception period, a Plan that adds or withdraws assets during the quarter will generally not be credited or charged an additional amount for such assets.

You will authorize custodian to pay the Platform fee directly to FA. *ManagedPlan* will send an invoice detailing the amount of the fee to you and the custodian. The custodian will provide a quarterly or monthly account statement showing all disbursements. Participant-level fees (e.g., loan fees, distribution fees, etc.) are charged to the accounts of the participants initiating such activity and are in addition to the Platform Fee.

#### *Fees for Retirement Plan Installation, Conversion, and Other Employee Benefits Services*

Fees for plan installation, conversion, administration, recordkeeping charges and other employee benefits services provided by PCS are not included in the Platform Fee. The amount of these fees varies depending on the size of the Plan and the number of Plan participants. These fees are billed to the Plan, due and payable before installation and conversion. Ancillary services provided by PCS are charged to the Plan or Plan participants as provided for in the agreement between FA and the Plan sponsor.

#### *Other Issues Relating to Fees*

The cost of investment advisory services provided through *ManagedPlan* may be more or less than the cost of purchasing similar services separately. The factors impacting costs of separately provided services include the cost of investment planning and modeling services, investment management fees, trading activity as determined by investment objectives and types of securities invested in, custodial fees, employee benefits administration and recordkeeping fees.

A Financial Advisor who introduces you to *ManagedPlan* receives compensation from your participation in *ManagedPlan*. His/Her compensation may be more than what he would receive if the Plan paid separately for investment advice. Therefore, a Financial Advisor may have a financial incentive to recommend *ManagedPlan* over other programs or services.

#### *Changing Investment Managers*

You may elect to change the Investment Manager of your Plan by providing 60 days advance written notice to FA and your Financial Advisor. Changing Investment Managers requires the termination of the existing Manager and installation of their replacement and therefore you are limited to one Investment Manager change in any 12-month period unless consented to in writing by the existing Investment Manager and *ManagedPlan*.

#### *Termination of an Investment Manager*

*ManagedPlan* may terminate a particular Investment Manager from the ManagedPlan Program if: (i) the Investment Manager materially breaches its written agreement with *ManagedPlan*; (ii) in the sole discretion of *ManagedPlan*'s investment committee, the Investment Manager no longer manages a Portfolio in line with a Plan's IPS objectives and any reasonable restrictions imposed by you; or (iii) if there has been a significant change in the professional personnel or ownership of the Investment Manager. If an Investment Manager is terminated, you are given 60 calendar days to select another Investment Manager. After this 60-day period, *ManagedPlan*'s investment committee will select another Investment Manager on your behalf.

#### *Termination of ManagedPlan Program*

You may terminate the *ManagedPlan* Program within five (5) days of the date of acceptance without penalty. After the five-day period, either party, upon 60 days prior written notice to the other, may terminate *ManagedPlan* for any reason. FA may terminate the *ManagedPlan* agreement of any client that requests a change in Investment Managers that FA believes is inconsistent with the investment policies of *ManagedPlan*. On termination, the Platform Fee will be pro-rated for the quarter in which the cancellation notice was given and any prepaid unearned fees will be refunded to you, as applicable. Platform fees billed on a monthly basis will not be pro-rated.

## **Types of Clients**

*ManagedPlan* is designed for a wide variety of employee benefit plans including defined contribution retirement plans such as 401(k), 403(b), 457, non-qualified deferred compensation arrangements, and individual investors. Retirement accounts with managed assets below \$1,000,000 or average Plan assets per participant below certain specified minimums pay a specified per participant and/or minimum fees in addition to the Platform Fee. Accounts of related persons or entities under common control may be combined for purposes of determining the application of minimum fees. For individual accounts, we do not require a minimum amount of assets to open an account or maintain an account; however we charge a minimum annual fee of \$60.00 per investment account.

## **Portfolio Manager Selection and Evaluation**

### ***Screening and Review of Investment Managers***

*ManagedPlan* screens potential investment managers to determine if they are suitable for

*ManagedPlan*. In order to participate, an Investment Manager must be an investment advisor registered with the U.S. Securities and Exchange Commission or registered as an investment advisor in one or more states. Investment Managers may be added to *ManagedPlan* at FA's discretion. Similarly, FA may remove an Investment Manager from this list at any time.

The investment professionals at the investment management firms are primary sources of information to *ManagedPlan*, providing quantitative and qualitative information. *ManagedPlan* reviews descriptions provided by each Investment Manager of its investment process and asset allocation strategies employed. *ManagedPlan* reviews each Investment Manager's disclosure brochure and registration documents (Form ADV, Parts 1 and 2).

*ManagedPlan* generally requires that Investment Managers adhere to the CFA Institute's Global Investment Performance Standards ("GIPS") in calculating their performance information. Every attempt is made to obtain performance information that is calculated on a uniform and consistent basis. In instances where an Investment Manager's performance information is not calculated in accordance with GIPS, its performance information should clearly indicate that it was not calculated in accordance with GIPS.

In addition, each Investment Manager makes numerous representations and warranties regarding its business and operations in a written agreement with *ManagedPlan*. *ManagedPlan* uses publicly available information from independent sources to verify information provided by Investment Managers. However, *ManagedPlan* does not independently review the performance calculations of Investment Managers and performance information of all the Investment Managers may not be calculated on a uniform basis.

Other factors included in the screening process include, but are not limited to, personal interviews with Investment Managers to enable *ManagedPlan* to gain a clear understanding of the Investment Manager's particular investment process and to determine if factors important to a successful investment organization and strategy may be deteriorating. *Managed Plan* reviews, among other things, the Investment Manager's organizational stability, investment personnel tenure and experience, investment selection process, risk controls, and systems and trading capabilities.

Other than receiving a share of the Platform Fee, Investment Managers agree not to accept compensation or other form of consideration from any Investment Manager, other consultant, financial professional or other person offering investments included in the *ManagedPlan* Program.

### ***Conflicts of Interest***

*ManagedPlan*'s list of approved Investment Managers includes an affiliate of FA, Efficient Advisors, LLC ("Efficient"), an SEC registered investment adviser. Efficient is subject to the same selection and ongoing review as other Investment Managers participating in *ManagedPlan*, but is treated as an exception by FA's investment management committee<sup>1</sup> and can be removed as an approved Investment Manager at any time. Please refer to "*Other Financial Industry Activities and Affiliations*" below for additional information about the relationship of FA and Efficient and controls established to address potential conflicts of interest.

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<sup>1</sup> *ManagedPlan*'s investment committee is comprised of one representative of each investment manager and representatives of Fiduciary Advisors, LLC. (check that this references first mention of committee)



## **Client Information Provided to Investment Managers**

Plan participants' personal identification (such as name, address, Social Security number, date of birth, assets and income), and account and holdings data are disclosed to Investment Managers before management begins. At least annually and on receipt of requests to change personal information, *ManagedPlan* updates its records and transmits the revised information to Investment Managers.

## **Client Contact with Investment Managers**

For questions about investment strategies and allocation models, you are encouraged to direct questions to your Financial Advisor. The Investment Manager(s) conduct initial and periodic educational meetings with clients. In addition, the Plan's Investment Manager(s) maintain ongoing contact with you and at least annually, review investment options with you to determine if any changes are in order.

## **Additional Information**

### ***Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of FA or the integrity of its management. FA has no disciplinary information to disclose.

### ***Other Financial Industry Activities and Affiliations***

Representatives of FA may also serve as Financial Advisors to Plans introduced to *ManagedPlan*. In this capacity, FA is the Financial Advisor to the Plan and is paid the Financial Advisors' fees.

Fiduciary Advisors, LLC ("FA") is wholly owned by Fiduciary Services Group, LLC ("FSG"). FSG has other subsidiary companies that are affiliated with FA due to this common ownership. PCS Retirement, LLC ("PCS") is a retirement plan recordkeeper and third-party administrator. Efficient Advisors, LLC ("Efficient") is an SEC registered investment adviser offering turn-key asset management services. AdvisorTrust, LLC ("AT") is a non-depository trust company. Aspire Financial Services, LLC ("Aspire") is a retirement plan recordkeeper. Rocky Mountain Employee Benefit, Inc. dba Alliance Benefit Group Rocky Mountain ("ABGRM") is a retirement plan recordkeeper and third-party administrator. ABGRM wholly owns ABG Consultants, LLC ("ABGC"), an SEC registered investment adviser. Mark Klein and Gerrit Fedele are officers of FSG and its subsidiary companies. Mr. Klein is an indirect owner of FSG and Mr. Fedele is a direct owner of FSG. Therefore, Mr. Klein and Mr. Fedele have an indirect ownership interest in FA.

FA shares office facilities and other resources necessary to its daily operations with FSG. FSG also provides services for account administrative and operational support to FA.

FSG also provides services for account administrative and operational support to FA. Even though these affiliations have a potential to create a conflict, FA's fiduciary responsibility to clients requires it to put the clients' interests before its own or anyone else's interests. FA has developed strong procedures to reduce potential conflicts. FA has adopted a Code of Ethics and developed internal

controls, such as a supervisory control plan and written procedures designed to eliminate potential conflicts. The supervisory control plan requires the Chief Compliance Officer to review advisory activities for inappropriate activities, to review the written supervisory procedures annually, and to revise procedures if internal controls are inadequate. The Chief Compliance Officer reviews supervised persons' personal trading activities quarterly. He/She maintains regular and frequent contact with each of supervised persons. Annually, he/she conducts a compliance review of FA's activities and the effectiveness of its supervisory procedures. The Chief Compliance Officer addresses any concerns formally and provides his/her assessment to the owners of FA.

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

FA has adopted a formal Code of Ethics. This Code of Ethics includes requirements to make sure that it meets its fiduciary responsibilities:

1. Clients' interests are put before FA's own interests.
2. Clients have the unrestricted right to specify investment objectives, guidelines, and/or conditions on the overall portfolio management.
3. Persons associated with FA will not make investment decisions for their personal portfolio(s) if the decision is based on information that is not also available to the investing public.
4. Persons associated with FA will not participate in private placements or initial public offerings (IPO's) that may affect clients' investments without disclosure to clients.
5. FA and its associated persons will comply with all applicable federal and state regulations governing registered investment advisers.

The full text of FA's Code of Ethics is available upon request.

On occasion, FA and/or its associated persons may buy or sell securities recommended to clients or may recommend securities transactions in which they have some financial interest. This practice would create a conflict of interest if the transactions were structured to trade on the market impact caused by recommendations made to clients. FA's Chief Compliance Officer reviews personal transactions quarterly. The Code of Ethics requires pre-approval of personal transactions in some cases. FA believes that it has adopted sufficient controls so that personal transactions are consistent with advice given to clients.

### ***Review of Accounts***

Accounts are reviewed periodically by the Investment Manager. Rebalancing and re-allocation are determined solely by the Investment Manager. Rebalancing involves reallocating assets to original asset targets. Re-allocation involves setting new target asset category and/or new investment percentages.

*ManagedPlan* through PCS prepares and sends reports to the Plan sponsor and Plan participants quarterly. Copies of these reports are provided to the Plans' Financial Advisors. These reports show shares owned, original cost, quarterly and year-to-date rate of return, current asset mix and transactional activity during the quarter. Custodians send statements to the Plan and Plan participants

quarterly or monthly. The Plan sponsor and Plan participants are encouraged to review these reports and promptly notify their Financial Advisor of any discrepancies.

### ***Client Referrals and Other Compensation***

Financial Advisors who introduce *ManagedPlan* to employee benefit plans receive a portion of the Platform Fee as compensation for the introduction and as compensation for maintaining ongoing relationships with the Plan. Financial Advisors' responsibilities under *ManagedPlan* are described above in "*Services, Fees and Compensation*". Financial Advisors' compensation does not cause an increase in the amount of the Platform Fee paid by Plans. *ManagedPlan* may provide marketing support or services to assist Participating Firms, Financial Advisors and/or their employers. This support may take the form of payment of certain expenses, such as fees to allow FA to participate in sales conferences of the employing firms, to present seminars for prospective and existing clients, to cover expenses for attendance at informational meetings held by FA at its offices or other locations, and reimbursement of costs for sales promotional activities. The amount of marketing support or services provided to a Financial Advisor typically increases as the assets referred increase.

### ***Financial Information***

FA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients nor has it been the subject of a bankruptcy proceeding.