

**Form ADV Part 2A**  
**Brochure**  
**March 30, 2023**

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This brochure provides information about the qualifications and business practices of Girard Advisory Services, LLC (“Girard”). If you have any questions about the contents of this brochure, please contact us at 610-337-7640. The information in this brochure has not been approved by the Securities and Exchange Commission (“SEC”) or any state securities authority.

Registration as a registered investment advisor or any references related thereto does not imply a certain level of skill or training.

Additional information about Girard Advisory Services, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES:**

This brochure represents a narrative style required by the Securities and Exchange Commission as mandated by Release No. IA-3060.

This brochure has been updated to reflect the following:

1. Advisory Business Section:
  - a. Financial Planning Services Disclosure
  - b. Retirement Plan Investment Advice and Consulting Disclosure
  - c. Retirement Plan Participant Advice Disclosure
  - d. Retirement Plan Rollovers Disclosure
  - e. Securities Backed Line of Credit Disclosure
2. Fees and Compensation Section:
  - a. Financial Planning Fee Disclosure
  - b. Retirement Plan Investment Advice and Consulting Fee Disclosure
  - c. Independent Advisor Fee Disclosure
3. Client Referral and Other Compensation Section:
  - a. Revised disclosure related to the TD Ameritrade Advisor Direct Referral Program.
  - b. Removed disclosure related to client referrals from lead generation and/or business development firms as it is no longer applicable.
  - c. Fees paid on behalf of Girard by a third-party vendor.
4. Brokerage Practices Section:
  - a. Removed language related to the reimbursement of client account transfer/exit fees by Charles Schwab & Co., Inc. ("Schwab") as it is no longer applicable.
  - b. Removed language related to the receipt of monetary assistance from Schwab for third-party research and portfolio management systems as it is no longer applicable.
5. Investment Discretion Section:
  - a. Independent Advisors use of discretionary authority.
6. Voting Client Securities:
  - a. Disclosure of proxy voting by Independent Advisors

There have been no other material changes made to this brochure since the last update on March 25, 2022.

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## **ADVISORY BUSINESS**

### **Background:**

Girard Advisory Services, LLC (“Girard” or “Advisor”) was founded as an Investment Advisor Firm in 1995 under the name Girard Partners, Ltd. In 2014, Girard's owner became Univest Bank and Trust Co. which is a wholly owned subsidiary of Univest Financial Corporation, a public reporting company listed on NASDAQ as UVSP. Beginning in 2019, the Advisor changed its name from Girard Partners, Ltd. to Girard Advisory Services, LLC and its statutory entity structure to a limited liability company.

Girard is a fee only registered investment advisor that specializes in providing wealth management solutions such as investment management, financial planning, retirement planning and related services to individuals, trusts, estates, charitable organizations, pension and profit sharing plans and business entities.

### **Investment Advisory Services:**

When providing investment advisory services to a client, Advisor will meet with a client or prospective client and review various aspects of their financial situation including, but not limited to, their stated financial needs, objectives and goals, risk tolerance, time horizon, income needs, existing investments and resources. Advisor will then use this information to make recommendations to the client and create and manage a portfolio designed to each client’s individual circumstances. Advisor will provide investment advisory services to clients pursuant to an Investment Advisory Agreement between Advisor and the client which establishes the terms and conditions of the engagement.

Advisor utilizes an array of domestic and international equities, taxable and non-taxable fixed income investments, cash and cash equivalents in its portfolio construction. Advisor often implements its strategy by investing client assets in and among mutual funds, exchange traded funds, stocks, bonds and, when applicable, independent advisors (see additional details below regarding Independent Advisors). Advisor may also provide investment management services for a client’s annuity products and their underlying sub-account and index offerings.

Advisor emphasizes asset allocation when creating investment strategies and portfolio construction. Portfolio weighting between various investment types and different market sectors will be determined by each client’s individual needs, investment objectives and goals. Clients may impose reasonable restrictions on the management of their account, including the ability to instruct Advisor in writing not to purchase certain investments or securities.

Advisor offers an investment management solution designed to provide a customized asset allocation, investment management, and portfolio rebalancing platform utilizing mutual funds and exchange traded funds to clients who may not otherwise meet the required minimum account size of a traditional wealth management client of the Advisor.

### **Independent Advisors:**

Girard may allocate a portion of a client’s investment assets to unaffiliated independent investment advisors and/or sub-advisors (“Independent Advisor”) in accordance with the client’s designated investment objective(s). In those situations, the Independent Advisor will have responsibility for the ongoing investment management decisions related to the client assets allocated to them. Girard will continue to provide investment supervisory services to the client

relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Girard will generally consider the following factors when determining whether to allocate funds to an Independent Advisor: The Independent Advisor's management style, performance, reputation, financial strength, reporting, pricing, and research. Girard will also consider the client's investment objective and portfolio construction and how the services of the Independent Advisor will complement the client's portfolio.

The client will be provided a copy of the Independent Advisor's Disclosure Brochure(s) as required and may be subject to the terms and conditions of a separate agreement between the client and the Independent Advisor if required by the Independent Advisor. Clients may impose reasonable restrictions on the management of their account, including the ability to instruct Advisor in writing not to purchase certain investments or securities.

### **Financial Planning Services:**

Advisor provides financial planning services to clients regarding investment and non-investment related matters on a stand-alone separate fee basis. Financial planning services may include, but not be limited to, personal, retirement, estate, insurance, education, business and tax planning and cash flow analysis. Financial planning services are provided pursuant to a Financial Planning Agreement between Advisor and a client which establishes the terms and conditions of the engagement. The Financial Planning Agreement is separate from the Investment Advisory Agreement that Advisor may have with a client for investment management services.

When providing financial planning services and corresponding recommendations to a client, Girard does not act in the capacity of a law firm or accounting firm, and no portion of its services should be construed as legal or accounting advice or services. Due to this fact, Girard does not prepare legal documents such as trust, wills or estate planning documents or tax related documents such as tax returns.

It is the client's responsibility to promptly notify Advisor of any changes in their financial situation, goals, investment objectives and risk profile for the purpose of Advisor updating the client's financial plan and related recommendations.

### **Retirement Plan Investment Advice and Consulting:**

Advisor provides investment advice and consulting services to Plan Sponsors of ERISA retirement plans on either a discretionary or non-discretionary basis as agreed upon by Advisor and the Plan Sponsor pursuant to an Investment Advisory Services Agreement entered into between Advisor and the Plan sponsor. Advisor assists the Plan Sponsor with the analysis, selection, and monitoring of investment options made available to plan participants. Advisor may also assist the Plan Sponsor with creating an investment policy statement, the selection of a product sponsor's program or third-party platform and providing eligible plan participants with education and enrollment related to the plan. The Plan Sponsor's Investment Policy Statement will enumerate any specific exclusions, restrictions or special considerations for the investment options made available under the plan.

### **Retirement Plan Participant Advice:**

Advisor offers investment advisory services to participants in employer sponsored tax exempt retirement plans (Plan). Participants will authorize Advisor to manage their assets in the plan on a discretionary basis, including both participant and employer contributions over which participant

has investment decision making responsibility and consisting of the securities/investment opportunities made available by the plan sponsor. The participant's individual investment strategy is tailored to their specific needs and goals as discussed and determined between Advisor and the participant and may include some or all of the securities made available by the plan sponsor. Once the appropriate portfolio has been determined, it will be monitored by Advisor and reallocated or rebalanced as deemed necessary.

Participants maintain the ability to impose reasonable restrictions on the management of their account, including the ability to instruct Advisor in writing not to purchase certain investments or securities. At no time will Advisor act as custodian of the Plan or have direct access to the Plan's funds and/or securities. If participant's retirement plan account is closed for any reason, this causes Advisor's services related to the account to terminate as of the date of closing. Upon termination, participant will have the exclusive responsibility to monitor the securities in their account, and Advisor will have no further obligation to act or provide investment services with respect to those assets.

### **Retirement Plan Rollovers:**

Retirement plan rollovers include moving assets from one employer sponsored retirement plan, such as a 401(k), to a new employer's retirement plan, an employer sponsored plan to an individual retirement account (IRA) and an IRA to another IRA. If Advisor recommends that a client roll over their retirement plan assets into an account to be managed by Advisor, this recommendation creates a conflict of interest if Advisor will earn new (or increase its current) compensation as a result of the rollover. Clients should be aware that such compensation would likely be higher than those they would pay through the plan, and there can be additional costs and expenses, such as custodial fees and account fees. Under current regulatory standards, if Advisor provides a recommendation regarding whether a client should engage in a rollover, Advisor is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Advisor.

### **Securities Backed Line of Credit (SBLOC):**

Advisor offers SBLOCs through its parent company Univest Bank and Trust Co. SBLOCs are loans whereby a client can borrow against the assets in their investment portfolio without having to liquidate the assets held in the account. These loans require monthly interest-only payments, and the loan remains outstanding until it is re-paid. SBLOCs are non-purpose loans, which means the loan proceeds can be used for almost anything except the proceeds may not be used to purchase or trade securities.

A SBLOC provides a client with the opportunity to avoid potential capital gains taxes because securities do not need to be liquidated in order to access to funds. A client may also be able to continue to receive the benefits of their holdings such as dividends, interest and appreciation. However, SBLOCs have risks and downsides. For example, if the value of the securities pledged as collateral decrease, a client may need to add funds to their account or their positions could be liquidated.

Advisor does not receive compensation from SBLOCs. However, recommending a SBLOC to a client presents a conflict of interest because Advisor's parent company will receive an economic benefit from providing a SBLOC to a client. Additionally, Advisor has a financial incentive to

recommend a SBLOC because Advisor will continue to receive investment advisory fees on assets in a client's account which would otherwise be reduced if a client liquidated some of their assets to meet their borrowing needs. Advisor consults with a client to evaluate whether a SBLOC is in their best interest and does not receive additional compensation for recommending a SBLOC which helps mitigate Advisor's conflicts of interest.

At December 31, 2022, Girard had discretionary assets under management of \$1,602,049,872.00; Non-discretionary assets under management of \$477,848,668.00; and total assets under management of \$2,079,898,540.00.

## **FEES AND COMPENSATION**

### **Investment Advisory Fees:**

Advisor's fees for investment advisory services are generally charged based on a percentage of assets under management. Fees are payable when services are rendered. Fees are calculated based on 1.00% on the first \$2,000,000.00, 0.75% on the next \$3,000,000.00 and 0.50% on assets exceeding \$5,000,000.00. Fees, however, can be negotiated based on special circumstances. For example, fees may differ from those stated herein because of pre-existing or long-standing relationships, anticipated client additions to assets under management, changing market conditions or other reasons.

Fees are billed and collected quarterly, either in advance or in arrears, based on the terms of the Advisory Agreement entered into between Advisor and the client. Fees are calculated based on the closing market value of the account, including cash and cash equivalents, on the last day of the previous calendar quarter. Fees may be deducted from a client's account(s) directly with prior authorization and direction from the client. In the event the advisory agreement is terminated, and the Advisor has received unearned fees, the Advisor will prorate such fees as of the date of termination and promptly refund any unearned portion to the client. The calculation of the client's final bill is centralized and is part of the account closing process. Clients are provided with quarterly statements reflecting performance, holdings, and the Advisory fee to be deducted.

### **Financial Planning Fees:**

Advisor charges a fee for financial planning and consulting services. Advisor's fee starts at \$5,000.00 and can exceed this amount, as agreed upon between Advisor and client, depending on the scope and complexity of the services to be provided. The fee Advisor will charge a client is disclosed in a Financial Planning Services Agreement entered into between the Advisor and client.

One-half of the agreed upon fee is due immediately upon acceptance by the client. The remaining one-half of the fee is due at completion and delivery of the written financial plan. Advisor will not charge an upfront fee exceeding \$1,200.00 that is more than six (6) months in advance of financial planning services being delivered. If financial planning services cannot be delivered within that timeframe, Advisor will return to client any amount exceeding \$1,200.00 and will instead collect any fees due in excess of this amount upon delivery of the financial plan. A client may elect to have Advisor deduct this fee from an account they maintain with Advisor if such is the case.

Financial planning services cease upon delivery of a financial plan to a client unless the client elects to engage Advisor for ongoing financial planning services at a timeframe and amount agreed upon between Advisor and client as disclosed in a Financial Planning Services Agreement. In the event the agreement is terminated by either party prior to completion of the financial plan,

and Advisor has received unearned fees, the Advisor will prorate such fees as of the date of termination and promptly refund any unearned portion to the client.

Upon a client's request, Girard may recommend the services of other professionals for implementation of recommendations made by Advisor pursuant to a financial plan (i.e. attorneys, accountants, brokers, insurance agents, etc.), including representatives of Advisor in their separate registered/licensed capacities as registered representatives and insurance agents of Girard Investment Services, LLC ("GIS"), a FINRA member broker-dealer, a licensed insurance agency and affiliated firm. Please refer to the section below entitled "Other Financial Industry Affiliations and Activities" for additional information and important disclosures related to the conflicts of interest this can present.

Clients are under no obligation to engage the services of any recommended professional by Advisor, either affiliated or unaffiliated, and may implement financial planning recommendations made by Advisor through the professionals of their choice. The client retains sole discretion over all implementation decisions and is free to accept or reject any or all recommendations from the Advisor and/or its representatives.

### **Retirement Plan Investment Advice and Consulting Fees:**

Advisor charges a fee for providing investment advisory and consulting services to Retirement Plan Sponsors. The fee for Advisor's services are as follows:

- .75% on plan assets of \$1 to \$1,000,000
- .50% on plan assets of \$1,000,001 to \$2,000,000
- .35% on plan assets of \$2,000,001 to \$5,000,000
- .25% on plan assets of \$5,000,001 to \$10,000,000
- .10% on plan assets of \$10,000,001 to \$20,000,000
- .05% on plan assets of \$20,000,001 and above

Advisor has a minimum annual fee of \$2,500.00. This fee will begin accruing with the contract start date. If the plan fees collected in a quarter are less than \$625.00, the difference will be billed to the Plan Sponsor. Advisor's fee is negotiable and the agreed upon fee is disclosed to the Plan Sponsor in an Investment Advisory Services Agreement entered into between Advisor and the Plan sponsor.

Advisor's fee is calculated quarterly based on the market value of the plan's assets (excluding self-directed brokerage assets) on the last business day of the previous quarterly fee period (without adjustment for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distributions of assets) as reported by the Custodian or Record Keeper.

Advisor's fee is paid to Advisor by the Custodian of plan assets as authorized by the Plan Sponsor. The Custodian is responsible for providing a quarterly statement to the Plan Sponsor indicating all amounts disbursed from the plan, including the amount of fees paid to Advisor. Plan Sponsor is responsible for ensuring that such statement is provided by the Custodian.

Should the Agreement be terminated prior to the end of a quarterly fee period, Advisor's fee shall be prorated for the number of days in the quarterly fee period prior to the effective date of termination, and any unearned fee shall be returned to the plan by Advisor.



**Retirement Plan Participant Advice Fee:**

Advisor's fee for providing investment advisory services to participants in employer sponsored tax exempt retirement plans is the same as that described for "Investment Advisory Fees" in this section.

**Other Fees and Expenses You May Incur:**

**Independent Advisor Fees:** Clients that have assets allocated to an Independent Advisor for investment management services will be charged an advisory fee by the Independent Advisor. This fee typically ranges between .10% and .50% of a client's assets managed by the Independent Advisor but may be more or less depending on the fee negotiated between Girard and the Independent Advisor. The actual fee charged will be disclosed to a client in a fee disclosure statement provided by Girard to the client. This fee is separate from the fees charged by Girard.

**Internal Expenses:** Exchange traded funds, mutual funds or sub-accounts of a variable annuity, charge fees and expenses for their respective funds. These expenses are disclosed in the fund's prospectus and include some or all of the following: management fees, administration fees, transaction charges, 12b-1 fees and other fund expenses.

**Variable and Index Annuity Contract and Rider Costs:** These costs may include, but are not limited to, annual base annuity contract charges, maintenance fees, optional benefit riders and sub-account fees and expenses.

**Custodian Fees:** Custodians charge fees to client accounts maintained on their platform for the custodial and trade execution services they provide. Custodian fees typically include ticket charges, commissions, mark-ups and mark-downs, fees for trades executed away from the custodian ("trade-away fees"), wire transfer fees, and statement and confirmation fees. Retirement plans may also incur plan recordkeeping and third-party administrator fees. Advisor uses Charles Schwab & Co., Inc. and TD Ameritrade, Inc. as custodians and they do not charge transaction fees for U.S. listed equities and exchange traded funds.

Girard does not share in any portion of the fees described in this section entitled "Other Fees and Expenses You May Incur." Clients should review all fees charged by Girard and others to fully understand the total amount of fees they will pay. Please refer to the Brokerage Practices section below for additional information.

**PERFORMANCE FEES AND SIDE BY SIDE MANAGEMENT**

Advisor does not charge performance fees for investment management.

**TYPES OF CLIENTS**

Girard provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and business entities. The Company currently has a minimum investment requirement of \$350,000.00 for wealth management clients but may waive this based on circumstances such as planned additions or if services are provided through Advisor's mutual fund and/or exchanged traded fund only investment management solution. The minimum account size for this solution is \$50,000.00.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Girard's investment philosophy is based on the principals of asset allocation and diversification. The investment philosophy leads to diversification among different asset classes. Investments may include domestic and foreign equities, (exchange listed or over-the-counter), options (covered call writing or purchases only), warrants, commercial paper, certificates of deposit, exchange traded funds, real estate investment trusts, mutual fund shares and a variety of fixed income securities including US Treasuries, agencies, mortgage- backed securities, corporate debt and municipal debt.

Girard utilizes a proprietary research process to select stocks, bonds, exchange traded funds and mutual funds. With respect to equity research, we follow and maintain a list of approximately 100 large cap stocks and base our research on the fundamentals of each company and use our system to ascertain fair value for each holding. Girard also utilizes outside third party research to help with investment analysis. The approved list of securities is maintained by the Investment Committee, which is charged with the function of determining which investments are added and subtracted from the approved list. The Investment Committee reviews the securities on the firm's approved list on a regular basis and is headed by the Chief Investment Officer and typically has between seven to ten members on the committee. Members of the Investment Committee are entitled to vote on matters requiring Investment Committee approval. Many of the members of the Investment Committee chair the sub committees, which include the Equity Sub Committee, Mutual Fund Sub Committee and Asset Allocation Sub Committee. Each Sub Committee Chair, who is also a member of the Investment Committee, provides updates on research occurring in the sub-committee and makes recommendation to the Investment Committee.

There are a number of risks associated with the investment strategies offered by the Advisor. Generally, clients are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and falling prices. Such risk may vary based on the percentage of stocks owned in a given strategy.

Bonds are subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary based on the percentage of bonds owned in a given strategy. In addition, long-term bonds have a higher interest rate risk and are much more sensitive to interest rate changes than are the prices of short-term bonds. Bonds are also subject to credit risk, the chance that a bond issuer will fail to pay interest and principal in a timely manner or, that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Finally, some bonds may be subject to call risk. This is the chance that in a declining interest rate environment the issuer of a bond will repay or call securities with higher coupons before their maturity dates.

In addition, investments in specific asset classes entail different investment risks. For example, small cap stocks tend to be more volatile than large or mid-cap stocks. International stocks and emerging markets include risks due to currency fluctuations, foreign taxes, political instability and possibility of illiquid markets. Real estate investing includes risks such as declines in the value of real estate, changing economic conditions, and changes in tax laws or property taxes. Commodities' investing is also highly volatile and subject to changing economic conditions and the vagaries of speculators among other risks. Market Neutral and Long/Short strategies entail potential liquidity risks and frequently higher fees.

Advisor utilizes a long-term approach to investing and typically will not attempt to time the markets. Advisor will typically stay committed to its investment allocation and not seek to liquidate a portfolio to avoid market losses. The strategic or tactical asset allocations employed by the Advisor do not assure profit or protect against loss in declining markets.

## **DISCIPLINARY INFORMATION**

None of Girard's current officers or other employees have been involved in any legal or disciplinary action with any federal or state statutory or regulatory agency. Likewise, none of the current officers or other employees have ever been the subject of disciplinary action by self-regulatory organizations.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Some of Advisor's investment advisor representatives ("IAR") are also registered representatives of Girard Investment Services, LLC ("GIS"), a FINRA registered broker-dealer and licensed insurance agency. GIS is an affiliated entity and a subsidiary of Univest Bank and Trust Co. Clients of Advisor can choose to engage our IARs who are also able to act in the capacity of a registered representative of GIS to effect transactions in securities including, but not limited to mutual funds, exchange traded funds, stocks and bonds on a commission basis.

Some of Advisor's IARs are also licensed insurance agents who may sell insurance products to our clients through GIS in its capacity as a licensed insurance agency. Clients of Advisor can choose to engage our IARs who are also able to act in the capacity of a licensed insurance agent to purchase insurance products such as life insurance and annuities on a commission basis.

Commissions received by our IARs for buying and selling investments and insurance products through GIS present a conflict of interest for the IAR. The receipt of commissions may provide an incentive for those IARs to recommend products based on the commission to be received over the individual needs of a client. Additionally, the commission(s) received could potentially provide higher compensation to the IAR than the fees received for providing similar advisory services on a fee only basis.

In addition to GIS, Advisor may also recommend the services of other affiliated entities to a client including Univest Bank and Trust Co. for banking and loan services and Univest Insurance, LLC for property and casualty insurance. This represents a conflict of interest as the affiliated entity will benefit from compensation received for providing products and services to the client.

Advisor may also recommend the services of other unaffiliated professionals to a client such as an attorney or accountant. Advisor may have an incentive to make referrals to these parties in lieu of others to receive future potential business referrals and corresponding compensation should the referral become a Client of Advisor. As such, this creates a potential conflict of interest.

Advisor's conflicts of interest for the activities identified above are mitigated by the fact that Advisor does not share in any compensation received by affiliated entities, IARs or unaffiliated professionals for providing products and services to a client.

Clients are under no obligation to use the products or services of Advisor or any professional or entity recommended by Advisor, whether affiliated or unaffiliated, and retain sole discretion over these decisions.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Advisor's employees may buy or sell for themselves securities that they also recommend to clients, which can create a conflict of interest. Advisor has addressed this potential conflict in its Code of Ethics. The Code of Ethics defines certain policies adopted by the Advisor that relate to personal trading and business practices of employees to ensure that the Advisor resolves any such conflicts and upholds its fiduciary duty to clients and place the interests of clients first. The Code of Ethics requires all employees to report all personal securities transactions in Covered Recommended Securities for themselves, as well as relatives residing with them, to the Advisor as they occur. In addition, the Code also requires each employee to seek pre-approval of personal securities transactions in Covered Recommended Securities, so that Advisor can ensure that the personal securities transactions do not conflict with clients' interests. The Code of Ethics also requires the Compliance Officer or their designee to review all transactions of employees in Covered Securities for compliance with the Code. Further, the Code requires all employees to acknowledge their understanding of the Code and their compliance with its provisions on an annual basis.

A copy of our Code of Ethics is available upon request by contacting us at the telephone number listed on the cover page of this brochure.

## **BROKERAGE PRACTICES**

Advisor makes recommendations to clients regarding broker/dealers to be used for transactions and the custody of client assets for which Advisor provides Investment Supervisory Services. Our recommendations are based on the quality of executions of equity securities, the level of customer service and support, the availability of mutual funds on the custodian platform, and pricing to the client. The Advisor considers the reasonableness of the commissions and other charges in light of the services provided. The Advisor monitors brokers for their execution capabilities and the reasonableness of its fees. Advisor currently recommends TD Ameritrade, Inc. ("TD Ameritrade"), a registered broker-dealer, member FINRA/SIPC, and Charles Schwab & Co., Inc. ("Schwab") a registered broker-dealer, member FINRA/SIPC, as custodians. These custodians will hold your assets in a brokerage account and buy and sell securities when the Advisor or you instruct them to. While Advisor recommends that you use TD Ameritrade or Schwab as custodian/broker, you will decide whether to do so and will open your account with one of these custodians by entering into an account agreement directly with them and we will assist you in doing so.

In the event a client was to direct Advisor to use a different broker/dealer, Advisor may not be able to negotiate commissions and may not be able to obtain volume discounts or best execution. Under these circumstances, clients who direct Advisor to use a different broker/dealer may be charged different commission rates from those Advisor negotiated with TD Ameritrade and Schwab.

Advisor participates in institutional customer programs offered by TD Ameritrade Institutional ("TDAI"), a division of TD Ameritrade, Inc. and Schwab Advisor Services ("SAA"), a division of Charles Schwab & Co., Inc. TDAI and SAA offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives benefits from TDAI and SAA through its participation in the programs. As disclosed above, Advisor participates in the institutional customer programs and Advisor typically requires and recommends clients to maintain accounts with TD Ameritrade and Schwab for

custody and brokerage services. There is no direct link between Advisor's participation in the programs and the investment advice it gives to its clients.

Advisor receives economic benefits through its participation in the TDAI and SAA institutional programs that are typically not available to TD Ameritrade and Schwab retail investors. These benefits include the following products and services provided without cost or at a discount: duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have Advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors.

TD Ameritrade and Schwab may also pay for business consulting and professional services received by Advisor and its related personnel and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Advisor's personnel to attend conferences or meetings relating to their programs or to TD Ameritrade's and Schwab's Advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade and Schwab through their programs may benefit Advisor but may not benefit its client accounts. These products or services may assist Advisor in managing and administering client accounts, including accounts not maintained at TD Ameritrade or Schwab.

Other services made available by TD Ameritrade and Schwab are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor (or its personnel) through participation in the programs do not depend on the amount of brokerage transactions directed to TD Ameritrade or Schwab. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related personnel creates a conflict of interest and may influence Advisor's recommendation of TD Ameritrade and Schwab for custody and brokerage services.

Advisor endeavors to avoid trading errors which can occur in the normal course of business. When trading errors do occur, resulting in a loss, Advisor will absorb such loss and will not charge the client account to the extent the trade error was the result of the actions of the advisor and not the client. If a trade error would otherwise result in a gain to Advisor, Advisor does not receive the benefit of the gain; the gain is donated to charity by the custodian.

## **REVIEW OF ACCOUNTS**

Client accounts and related portfolios are reviewed periodically, but not less than annually, as agreed upon between a client and their designated investment advisor representative. This review will typically include a review of account activity and performance relative to the established investment policy statement for the account. This is also an opportunity for a client and their advisor to review the client's investment objectives and overall financial profile to determine if there are any changes or updates that need to be made to this information and, as a result, a client's portfolio based on their current situation. As such, it is important that a client keeps Advisor informed of changes in their financial situation or needs as they occur.

Client accounts are also reviewed on a periodic basis by a supervisor of the Advisor to determine whether holdings are on the approved list, portfolios are assigned to an appropriate model, and whether the model is assigned in accordance with the client's investment policy statement or risk profile.

Clients are provided, at least quarterly, with account transaction confirmation notices and account statements directly from the custodian. Advisor also provides clients with a quarterly report summarizing account holdings, portfolio performance, fee calculations, and market commentary.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Advisor pays referral fees (non-commission) to promoters for the referral of prospective clients to the Advisor. Advisor's referral fees will not result in higher costs to the referred client. As such, clients referred to Advisor by a promoter will pay fees no greater than the fees or costs Advisor charges clients with similar portfolios who were not referred through a promoter. In this regard, Advisor maintains Promoter Agreements in compliance with Rule 206 (4)-1 of the investment Advisors Act of 1940 and applicable state and federal laws.

All clients referred by promoters to the Advisor will be given a written disclosure describing the existence of the referral arrangement and the referral fees paid to the promoter. The disclosed referral fee is payable to the promoter for the duration of Advisor's relationship with the referred client. Advisor will have no further referral fee obligation if the representations and warranties outlined in our referral agreement with the promoter become inaccurate or untrue or if our investment advisory agreement with a client is terminated for any reason. Promoter arrangements create a conflict of interest because the promoter has a financial incentive to recommend Advisor over other investment advisors and their programs, products and services which may be more comprehensive or cost effective than the Advisor.

Advisor makes the following additional client referral/promoter disclosures regarding its participation in the Charles Schwab & Co., Inc. Schwab Advisor Network® (the "referral program"). Schwab (the "Program Sponsor") has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. Advisor pays the Program Sponsor an on-going fee for each successful client referral and includes a referred clients' family members living in the same household. Schwab is a broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between us. In addition, the Program Sponsor does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services.

Advisor's participation in the referral program raises conflicts of interest. Schwab will most likely refer clients through their referral program to investment advisors that encourage their clients to custody their assets at Schwab and whose client accounts are profitable to Schwab. Consequently, in order to obtain client referrals from the Program Sponsor, Advisor has an incentive to recommend to clients that the assets under management by Advisor be held in custody with Schwab and to place transactions for client accounts with them. In addition, Advisor has agreed not to solicit clients referred to it through the referral program to transfer their accounts from Schwab or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor's participation in referral program does not diminish its duty to seek best execution of trades for client accounts.

Advisor will generally be required to pay Schwab a Transfer Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the referred client was solely responsible for the decision not to maintain custody at Schwab. The transfer fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The transfer fee will be paid by the Advisor will not result in a

referred client paying higher fees or costs charged by the Advisor. The transfer fee is higher than the referral fees Advisor typically would pay Schwab in a single year. Thus, Advisor has an incentive to recommend that client accounts be held in custody at Schwab.

Information regarding referral fees paid directly or indirectly to Schwab are disclosed to clients referred through the referral program on the Schwab Advisor Network Investor Acknowledgment Form.

Advisor makes the following additional client referral/promoter disclosures regarding its participation in the TD Ameritrade, Inc. AdvisorDirect Program (“TD referral program”). Advisor participated in the TD referral program until it was succeeded by the Schwab Advisor Network referral program (“SAN program”) sponsored by Charles Schwab & Co., Inc. (“Schwab”) after the two companies merged. As a result, Advisor now only participates in the SAN program as disclosed above and not the TD referral program. However, the on-going fee (“promoter fee”) that Advisor now pays to Schwab for clients referred to Advisor through the former TD referral program shall remain the same. This promoter fee is a percentage (not to exceed 25% or 22 basis points) of the Advisory fee that a referred client pays to Advisor. Advisor will also continue to pay Schwab the promoter fee described on any Advisory fees received by Advisor from a referred client’s family members living in the same household.

Information regarding referral fees paid directly or indirectly to Schwab are disclosed to clients on the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form or the Schwab Advisor Network Investor Acknowledgment Form depending on when they entered the referral program, either before or after the two referral programs merged.

Advisor receives an economic benefit from Schwab in the form of support products and services they make available to Advisor and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, Advisor benefits from these arrangements because the cost of these services would otherwise be borne directly by Advisor. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit Advisor, and the related conflicts of interest are described above under the section entitled “Brokerage Practices.”

Advisor has entered into a service agreement with DPL Financial (“DPL”) to provide investment management services to Advisor’s clients with assets held in annuity products. Advisor’s fee for participating in DPL’s program is paid for by Black Diamond which is a portfolio management and data aggregation software vendor used by Advisor. Black Diamond’s payment of DPL’s program fee on behalf of Advisor raises a conflict of interest as Advisor is incentivized to continue using Black Diamond’s services. Advisor has a fiduciary responsibility to act in the best interest of its clients and Advisor’s use of DPL’s and Black Diamond’s services does not affect the investment advice Advisor provides to its clients.

## **CUSTODY**

Girard has limited custody of client funds since it debits client accounts to collect fees. While this constitutes “custody” as defined in the Investment Advisors Act, advisors like Girard who have custody for this reason only, are exempt from some additional requirements imposed on advisors who take physical custody of cash or securities from clients. Girard requires that clients’ funds or securities must be retained with a “qualified custodian,” currently TD Ameritrade, Inc. or Schwab,

who provides at least quarterly statements, either printed or delivered electronically, to clients. In addition to statements provided by the custodian, Girard provides quarterly statements and commentary to clients. Clients are encouraged to compare the information provided by Girard with the information provided in statements received from the qualified custodian. In the event of discrepancies or questions, the client is urged to contact the Advisor.

## **INVESTMENT DISCRETION**

Girard manages accounts primarily on a discretionary basis with full authority to make purchase and sale decisions for client accounts. This means that Girard is not required to obtain prior approval from a client when effecting account transactions. It is Girard's typical practice to engage in a consultative relationship with clients where investment changes are communicated or discussed. However, individual situations and circumstances will dictate whether such a communication is able to take place prior to placing trades for client accounts. Clients will receive statements from the custodian reflecting all account activity. At a client's request, Girard may enter into non-discretionary agreements that require client approval prior to enacting the purchase or sale of securities for the account. Girard discourages this approach and may elect not to enter into non-discretionary arrangements.

Girard enters into discretionary and non-discretionary agreements with Plan Sponsors of Employee Retirement Plans (i.e. 401k) plans to provide analysis, selection, and monitoring of investment options made available to plan participants. The nature of the discretionary or non-discretionary authority the Plan Sponsor provides to Advisor will be disclosed in the Investment Advisory Services Agreement entered into between Advisor and the Plan sponsor.

Girard may engage Independent Advisors to provide investment management services to a client. When an Independent Advisor is selected to do so, they will have discretionary authority to manage the client assets allocated to them.

## **VOTING CLIENT SECURITIES**

Advisor does not vote proxies and, therefore, is not required to take any action or render any advice with respect to the voting of proxies. Clients receive proxies and other solicitations directly from the qualified custodian and retains sole authority and responsibility for voting proxies.

Advisor may engage Independent Advisors to provide investment management services to a client. As such, Independent Advisors may vote proxies on behalf of a client. When a client elects to delegate proxy voting authority to an Independent Advisor, the client shall execute any documents necessary to provide them with proxy voting authority.

## **FINANCIAL INFORMATION**

This section is not applicable to Girard and the firm is not required to provide any related financial information for the following reasons:

1. Girard does not solicit fees of more than \$1,200.00, per client, six months or more in advance.
2. Girard is unaware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.
3. Girard has not been the subject of a bankruptcy petition.