

# **RM INVESTMENT STRATEGIES, LLC**

## **FIRM BROCHURE**

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### **Mailing Address**

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This brochure provides information about the qualifications and business practices of RM Investment Strategies, LLC. If you have any questions about the contents of this brochure, please contact us at (800) 949-1654 or [jtimmermans@luministcapital.com](mailto:jtimmermans@luministcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RM Investment Strategies, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about RM Investment Strategies, LLC is available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for the adviser is 322828.

## **2. MATERIAL CHANGES**

We do not have any material changes to report since our initial registration. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of these changes. We will also reference the date of your last annual update.

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#### 4. ADVISORY BUSINESS

##### OWNERSHIP/ADVISOR HISTORY

RM Investment Strategies, LLC was formed in August 2022 by Luminist Holdings, LLC and Campbell Wealth Advisors, LLC. RM Investment Strategies, LLC is a Michigan limited liability company.

##### ADVISORY SERVICES OFFERED

Prior to the Adviser/Client relationship, we may offer a complimentary general consultation to discuss services available and to give a prospective client time to review services desired. Investment advisory services begin only after the client and firm formalize the relationship with a properly executed client agreement. After engaging us, the client will be asked to share in a data gathering and discovery process to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client will then be placed in one or more of the firm's portfolios.

##### *Financial Planning and Consulting Services*

The Adviser may offer to direct clients financial planning and consulting services to evaluate their financial situation, goals and risk tolerance. Through a series of personal interviews and the use of questionnaires the Adviser will collect pertinent data, identify goals, objectives, financial problems, potential solutions, prepare specific recommendations and implement recommendations. As a result of these actions, the Adviser's advice may be provided on financial and cash management, risk management, financial issues relating to divorce or marital issues, estate planning, tax issues, stretch IRA planning, Investment Planning/Asset Allocation, retirement planning, educational funding, goal setting, or other needs as identified by the client and Adviser. The Adviser may offer broad-based written planning services, or the client may desire advice on certain planning components that does not include a written plan; the Adviser can tailor services as desired by the client.

##### *Portfolio Management Services*

The Adviser offers portfolio management services on a discretionary basis that involve assisting with the ongoing management of the client's investment accounts. Prior to entering into an agreement, the Advisor works with the client to understand your investment objectives, time frame, risk tolerance and other considerations. Once the Adviser has this information, it creates an individualized portfolio. The Adviser will request discretionary authority from the client in order to select the securities and execute transactions without the client's prior permission. The Adviser bases its recommendations on a variety of factors including, but not limited to, performance risk, fees, tax efficiency of different investment strategies, as well as the client's input and preferences regarding the strategies.

##### *Selection of Third-Party Investment Advisers*

After an initial meeting with the client and when deemed appropriate, we may recommend the services of an independent investment adviser ("Third Party Adviser"). The recommendation will depend on the client's circumstances, goals and objectives, strategy desired, account size, risk

tolerance, or other factors. Working with the client we determine which Third Party Adviser may be appropriate.

We will review Third Party Advisers prior to making a recommendation to the client. We will consider the following factors during its review: fees, reputation, performance, financial strength, management, price, reporting capabilities, client's financial situation, client's goals, client's needs, and client's investment objectives. After its review we will present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, we will enter a solicitor relationship with the recommended Third-Party Adviser. The solicitor relationship means our firm and the Third-Party Adviser will have separate rolls while serving the client. In effect, the client will engage both us and the Third-Party Adviser to serve his/her accounts and we and the Third-Party Adviser will provide separate services to the client.

Under this arrangement, the Third-Party Adviser will be responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. While we will maintain our relationship with the client by monitoring the status of the client's accounts with the Third-Party Adviser, make recommendations about the performance of the Third-Party Adviser, meeting the client at least annually and acting as the client's primary financial adviser. All questions regarding the Third-Party Adviser's services and performance shall be directed to us.

When using the services of a Third-Party Adviser, clients will be given a copy of its Form ADV Part 2A. Clients are encouraged to read and understand this disclosure document.

#### TAILORED SERVICES

Our services are individualized to each client. Portfolio management clients may impose restrictions on investment in certain securities or types of securities. All restrictions must be presented to us in writing.

#### WRAP PROGRAM

We do not sponsor or participate in a wrap program. This section is not applicable.

#### CLIENT ASSETS MANAGED

As of the date of this brochure, we do not manage any client assets.

### **5. FEES AND COMPENSATION**

#### *Financial Planning and Consulting Services*

The Adviser may charge either an hourly or a fixed fee for financial planning and consulting services for direct clients. The fixed fee ranges from \$500 to \$10,000 and the hourly rate ranges from \$150 - \$1,000 per hour. The fee is negotiable and is based upon the number of topics covered, the amount of time required to research the client's situation and whether a written plan is requested. The Planning fee is due upon delivery of the plan.

A client may terminate the financial planning and consulting service for any reason within the first

five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated by either the client or the Adviser at any point in time through written notice to the party's respective address of record.

### *Portfolio Management Services*

Fees for portfolio management services will be based on the assets under management. The maximum annual fee 1.65%. The fee is negotiable, and the client contract will reflect the negotiated fee. A client may aggregate multiple accounts to negotiate a lower fee. Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit in the account are included in the fee calculations.

The management fees will be paid monthly, in advance, based on the account value as of the last business day of the prior month. The monthly statement will reflect the management fees withdrawn. The client will be asked to authorize us with the ability to withdraw our fee from the client's account. The client may terminate this authorization at any time by giving us and the custodian notice.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment advisers or other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fees and we do not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

A client may terminate this service for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days written notice to us at RM Investment Strategies, LLC, 4981 Cascade Road Suite C, Grand Rapids, MI 49546. To receive a prorated refund of unearned fees, the client must send us a written request. Upon written notice of termination, the client will receive a prorated refund based on the amount of the time elapsed during the month for any fees paid in advance. For example, if a client cancels 15 days into a 30-day month, the client will receive a refund of 50% of the fees. (15 days divided by 30 days equal 50 percent). Please note the prorated refund may be adjusted for additional deposits and withdrawals to the advisory account within the termination month. If permitted by the client's custodian the refund will be deposited into the client's account; otherwise, the refund will be paid to the client by company check directly to the client within 30 days of the termination notice receipt. Please note that the client will not receive a prorated refund without providing a written request.

### *Selection of Third-Party Investment Advisers*

When we are a solicitor of the recommended Third-Party Adviser, we do not charge a separate fee for the service. Instead, we enter into an agreement with the selected Third-Party Adviser and share in a portion of the Third-Party Adviser's management fee that is charged to the client. The exact amount will be disclosed in the Third-Party Adviser's Solicitor Disclosure Document. Additionally, when the management fee is withdrawn (quarterly or monthly, in advance or in arrears) will vary with each Third-Party Adviser. These details will be disclosed in the Third-Party Adviser's ADV Part 2A and the Third-Party Adviser's Solicitor Disclosure Document; both documents will be given to the client upon solicitation.

As established in Item 10.D – Other Industry Affiliations, by receiving a portion of the Third-Party Adviser's management fee, this creates a conflict of interest for the Adviser. The sharing of the management fees creates a financial incentive to recommend Third Party Advisers that would pay us a higher percentage of their fee. We attempt to mitigate the conflict of interest to best of our ability by placing the client's interest a head of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

The fee paid to the Third-Party Adviser (which we share in) is separate and distinct from any brokerage and custodian fees or expenses. These fees and expenses may include transaction fees, or other related costs and expenses. Additionally, clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, as disclosed in a fund's prospectus, which are separate and distinct from the Third-Party Adviser's fee.

The termination of the Recommendation and Monitoring of Third-Party Adviser Services will be controlled by the terms and conditions of the Third-Party Adviser's ADV Part 2A. The client will need to review the Third-Party Adviser's ADV Part 2A – Item 5 – Fees and Compensation. The client may also contact the Third-Party Adviser directly at the address located on its Form ADV Part 2A, Third Party Adviser Agreement or Solicitor Disclosure Document. The Third-Party Adviser Agreement also controls whether the client will receive a refund of any pre-paid fees.

### OTHER SECURITIES COMPENSATION

The firm does not receive any additional securities compensation. The item is not applicable.

### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts of interest with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

## 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client). This section is not applicable.

## 7. TYPES OF CLIENTS

Our services are offered to individuals, trusts, estates, corporations and other businesses entities. We do not require a minimum account size to become a client.

## 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Advisers are required to give a description of their methods of analysis and investment strategies that are used in formulating investment advice or managing assets. We may use one or more of the following depending on the portfolio:

**Fundamental Analysis** – Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's *actual* business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite that appearance that a security is undervalued, it may not rise in value as predicted.

**Technical Analysis** – Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

**Asset Allocation** – Asset Allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon. Each class has different levels of risk and return, so each will behave differently over time.

**Tactical Asset Allocation** – Tactical Asset Allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is as a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved.

Investment Strategies we use include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), and periodic rebalancing.

## INVESTMENT RISKS

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While we recommend various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render our best judgment on behalf of our clients. Still, the firm cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strives to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

## RECOMMENDED SECURITIES AND THEIR RISKS

We recommend several types of securities to its clients. These include, but are not limited to: mutual funds, stocks, bonds, certificates of deposit, commercial paper, municipal securities, options, real estate investment trusts and exchange traded funds. An investment in a security could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. The risks associated with the recommended securities include, but are not limited to:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Manager risk:** The chance that poor security selection will cause a mutual fund or other managed product to underperform relevant to benchmarks or other securities products with similar investment objectives.
- **Active management fees risk:** Active management strategies that involve frequent trading generate higher transaction costs which diminish the fund's return. In addition, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when such funds are held in a taxable account.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value

because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

- **Leverage Risk:** Using derivatives to increase a portfolio's combined long and short exposure creates leverage, which can magnify the portfolio's potential for gain or loss and, therefore, amplify the effects of market volatility on the portfolio.
- **Options Risk:** Like other securities - including stocks, bonds, and mutual funds - options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium he/she paid pay. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually requires less capital than equivalent stock positions, potential cash losses as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.
- **Leveraged Exchange Traded Fund ("ETF") and Mutual Fund Risk:** A leveraged ETF or mutual fund seeks to generate a return that is a multiple (usually 2X or 3X or -2X or -3X) of its benchmark index's performance over a specific, pre-set time period indicated in each fund's prospectus. That time period is also referred to as the "rebalancing period", and it is generally only one day, although it could be for a longer time period such as a month. As a result, the returns for these types of ETFs and mutual funds can differ significantly from that of their benchmark index, over periods lasting longer than the rebalancing period because of the compounding of returns. Generally, the longer the security is held, the more likely the returns of the leveraged product will differ from the long-term return of the index. **Although potential returns are increased by leveraging, so are the potential losses, so these securities carry significant risk.** As a result, leveraged ETFs and mutual funds are intended only for investors with an aggressive tolerance for risk.
- **Inverse Exchange Traded Fund ("ETF") and Mutual Fund Risk:** An inverse ETF or mutual fund attempts to mimic the inverse, or opposite, of its stated benchmark. For example, an inverse S&P 500 ETF would attempt to deliver the opposite of the S&P 500's daily performance, net of fees. These funds, also called "short ETFs or Bear ETFs"/"short mutual funds or bear mutual funds" are often in an attempt to profit from a downturn in a given market, sector, or index, or to hedge against a potential loss in their portfolio. Although an inverse ETF or mutual fund does not explicitly use leverage to magnify the intended return, they can suffer from the same compounding effects as the leveraged long and leveraged short ETFs or mutual funds.

Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

## **9. DISCIPLINARY INFORMATION**

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are several specific legal and disciplinary events that we must presume are material for this item. We and our management persons have no information applicable to this item.

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

### **BROKER-DEALER AFFILIATIONS**

We are not affiliated or registered with a broker-dealer.

### **FUTURES/COMMODITIES FIRM AFFILIATION**

We are not affiliated with a futures or commodities broker.

### **OTHER INDUSTRY AFFILIATIONS**

We are co-owned by Luminist Capital, LLC, an SEC registered investment adviser. We are controlled and share office space with Luminist Capital, LLC.

We are co-owned by Campbell Wealth Advisors, LLC, a state registered investment adviser.

We have a consulting agreement and a licensing agreement with Sherman Portfolios, LLC. Under the agreement, Sherman Portfolios, LLC provides RM Investment Strategies LLC with portfolio signals for RM Investment Strategies, LLC to use to develop and maintain RM Investment Strategies, LLC model portfolios for use with certain institutional and individual clients. In return, RM Investment Strategies, LLC pays Sherman Portfolios, LLC a fixed-percentage consulting fee based on the total AUM in RM Investment Strategies, LLC accounts that are guided by Sherman Portfolios, LLC data. Under the licensing agreement, Sherman Portfolios, LLC permits RM Investment Strategies, LLC to use the "Sherman" name and allows RM Investment Strategies, LLC access to Sherman publications, including "The Sherman Sheet". Although RM Investment Strategies, LLC does not pay a separate licensing fee, the licensing agreement is linked to the aforementioned consulting agreement.

### **SELECTION OF THIRD-PARTY INVESTMENT ADVISERS**

We may recommend the services of third-party investment advisers. This information can be found under Items 4 and 5. We will ensure that the Third-Party Adviser is properly registered or exempt from registration in the client's state of residence prior to making any recommendation. We receive a portion of the Third-Party Adviser's management fee, which creates a financial incentive to recommend Third Party Advisers that pay a higher percentage of the management fee. We attempt to mitigate the conflict of interest to best of our ability by placing the client's interest ahead of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

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

### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

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

### MATERIAL INTEREST IN SECURITIES

We and our owners do not have securities in which we have a material financial interest.

### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

On occasion, our owners and investment adviser representatives may buy or sell for their own accounts securities that are the same as, similar to, or different than those that they recommend to their clients for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. When trading or recommending the same securities for client accounts that the owners or investment adviser representatives trade for themselves, the firm attempts to mitigate the conflict of interest to the best of its ability through the enactment of the firm's Code of Ethics, trading policies, and its fiduciary responsibilities. Nonetheless, the firm generally attempts to place client transactions ahead of owners and investment adviser representatives' trades. The associates of the firm are aware of their fiduciary duty to their clients and the prohibitions against the use of any insider information. Records of all associates' proprietary trading activities will be reviewed by the firm, available to regulators to review on the premises.

## **12. BROKERAGE PRACTICES**

### RECOMMENDATION CRITERIA

We currently recommend the clearing and custody services of Charles Schwab. Some of the primary consideration in determining reasonableness of commissions are: rates charged by other brokers that provide clearing or custody services for registered investment advisers; reputation and financial strength; breadth and depth of available products; with an important factor being the broker's no-transaction-fee mutual fund universe; accuracy with which transactions are processed; customer service responsiveness; availability of technology solutions interoperable with our systems and suitable for managing multiple accounts; as well as your satisfaction. We periodically evaluate the foregoing factors, and while we may conclude based on our review that commission

rates paid by you are reasonable, lower commissions may be available from other brokers or in conjunction with retail (non-advisory) accounts, and certain mutual funds that carry a transaction fee may be available on a no-transaction-fee basis from other brokers or directly from the fund company.

#### RESEARCH AND SOFT DOLLAR BENEFITS

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. We do not receive any soft dollar benefits.

#### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from the recommended custodians.

#### DIRECTED BROKERAGE

Some clients may direct us to a specific broker/dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on client’s transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the client’s account because the firm cannot negotiate favorable prices.

#### BLOCK TRADING

Transactions for each client account generally will be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but is not obligated to, combine or “batch” such orders to obtain best execution or to allocate equitably among our clients’ differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients’ accounts in proportion to the purchase and sale orders placed for each account on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our principal(s) and/or associated person(s) may invest, we shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. We do not receive any additional compensation or remuneration as a result of the aggregation.

### **13. REVIEW OF ACCOUNTS**

#### PERIODIC REVIEWS

Our chief investment officer, Justin Biebel, reviews client accounts on a monthly basis.

#### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client’s financial situation (such as retirement, termination of employment, physical move or inheritance). Any changes in a client's financial situation, goals, or risk tolerance may also affect the current strategy guiding a client's portfolio and other investments.

Clients are urged to notify their investment adviser representative of any such change at their earliest convenience.

#### REPORTS

Portfolio Management clients receive at least quarterly statements from their custodian. We urge clients to carefully review such statements.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

#### OTHER COMPENSATION

We do not receive an additional compensation for providing you investment advice.

#### CLIENT REFERRALS

We may offer our portfolios to other independent registered investment advisers pursuant to third-party management or solicitor agreements. When registered investment advisers use our portfolios, they receive a portion of our annual management fee, but not a portion of the program fee. The registered investment advisers will likely share a portion of the fees with their own representatives. It is important to note that the annual management fee is determined by our fee schedule. The registered advisers' portion is deducted from the management fee, not added to it.

We are aware of the special considerations promulgated pursuant to SEC Rule 206(4)-3 of the Investment Adviser Act of 1940 (the "Act"). As such, appropriate disclosures describing the terms and fee arrangements between the us and a solicitor will be made to our clients, all required written records will be maintained, and all applicable laws and regulations will be observed. A Solicitor's Disclosure Document will be provided to each client, as required under the Act, and we will retain the client's signed acknowledgement of receiving the Adviser's Form ADV Part 2A and the Solicitors Disclosure Document.

### **15. CUSTODY**

All client funds, securities and accounts are held at third-party custodians. We do not take possession of a client's securities. However, the client will be asked to authorize us with the ability to deduct fees directly from the client's account. We follow the guidelines established by the U.S. Securities and Exchange Commission for directly debiting advisory fees from client custodial accounts to ensure that we will not be deemed to have custody of client funds and/or securities with the regard to the practice of debiting. Clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. The statements will show the fee withdrawn. We urge each client to carefully review such statements.

### **16. INVESTMENT DISCRETION**

Our Portfolio Management Services are discretionary. This means that we have discretionary authority to determine the securities to be bought or sold for a client's account, amount of securities to be bought or sold for a client's account and the broker or dealer to be used for the purchase or sale of securities for a client's account. Our discretionary authority is obtained when a client signs an investment management agreement and also a limited power of attorney. The agreement and

power of attorney allows us to buy and/or sell securities we have selected, within the tolerance agreed to by the client, and in the amounts the firm deems suited to the agreed upon portfolio structure. It allows us to place each such trade without the client's prior approval. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account, and any other investment policies, limitation or restrictions. Our discretionary authority also includes the ability to choose a custodian for client accounts. The client may limit our discretionary authority related to the choice of custodian by notifying us when signing the engagement agreement.

The firm may also offer non-discretionary management services. A non-discretionary investment account means the client retains full discretion to supervise, manage, and direct the assets of the account. The client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the Account in any manner deemed appropriate and to place all orders for the purchase and sale of Account assets with or through brokers, dealers, or issuers selected by the client. The client is free to manage the account with or without the recommendation of the firm and all with or without prior consultation with the firm.

#### **17. VOTING CLIENT SECURITIES**

We will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients directly from their accounts' custodian for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

#### **18. FINANCIAL INFORMATION**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about the firm's financial condition. We have no financial commitment that impairs our ability to service our clients. Also, we and our owners have not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance.