

Item 1 – Cover Page

# JDH Wealth Management, LLC

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March 21, 2023

This Brochure provides information about the qualifications and business practices of JDH Wealth Management, LLC (“JDH”). If you have any questions about the contents of this Brochure, please contact us at (707) 542-1110. 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.

JDH is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about JDH also is available on the SEC’s website at [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 JDH is 112474.

## Item 2 – Material Changes

This item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes.

In this update, we have:

- Updated Items 4 and 10 to reflect the increased use of BSP for the management of client portfolios;
- Updated Item 4 and Item 5 to disclose the use of DFA's Separately Managed Account platform;
- Updated Item 5 to reflect our new fee schedule for non-profit clients.

We do not have material changes for our current Brochure, however, please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 21, 2023.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Matthew Delaney, Chief Compliance Officer at (707) 542-1110. Our Brochure is also available on our web site [www.jdhwealth.com](http://www.jdhwealth.com), also free of charge.

(Brochure Date: 03/21/2023)

(Date of Most Recent Annual Updating Amendment: 03/21/2023)

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Brochure Supplements (provided to clients)

## Item 4 – Advisory Business

JDH is owned by Matthew Delaney and Ralph Jones and has been providing advisory services since 2000.

As of December 31, 2022, JDH managed \$286,041,386 on a discretionary basis. Additionally, JDH advised on \$65,532,003 of self-directed retirement account assets.

### *Investment Management Services*

JDH uses a consultative approach in providing solutions to the client's needs. JDH works with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. JDH uses investment and portfolio allocation software to evaluate alternative portfolio designs. JDH evaluates the client's existing investments with respect to the client's investment policy statement. JDH works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by JDH. JDH will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular review meetings with the client regarding the account as necessary.

In addition to managing clients' investment portfolios, JDH may provide additional wealth management services to clients based upon their unique circumstances and needs. Such services may include income planning, college planning, retirement planning, risk management counsel, establishment of and counsel on retirement plans, and assistance with assets outside our direct management.

JDH will typically create a portfolio of no-load mutual funds and exchange-traded funds (ETFs), and may use model portfolios if the models match the client's investment policy. JDH will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. JDH primarily recommends portfolios consisting of mutual funds and ETFs offered by Dimensional Fund Advisors (DFA). DFA-sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities at the direction of the client.

JDH manages portfolios on a discretionary basis. Clients may impose any reasonable restrictions on JDH's discretionary authority, including restrictions on the types of securities in which JDH may invest client's assets and on specific securities that the client may believe to be appropriate.

JDH may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds.

JDH will request discretionary authority from advisory clients to retain third-party separate account managers ("Independent Managers"). The Independent Managers will be provided with the discretionary authority to invest client assets in securities consistent with the client's goals and objectives.

Independent Managers may monitor the accounts for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information).

On an ongoing basis, JDH will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. JDH will periodically, and at least annually,

review a client's investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. JDH will provide the Independent Manager any updated client financial information or account restrictions necessary for the investment manager to provide sub-advisory services. JDH has hired Buckingham Strategic Partners, LLC ("BSP") as the primary Independent Manager.

In certain circumstances, as determined by JDH and the client, JDH may engage DFA as an Independent Manager to manage portfolios of individual securities for clients. In these instances, DFA's fees are separate, distinct, and in addition to JDH's advisory fees.

### *Employee Benefit Retirement Plan Services*

JDH also provides advisory services to participant-directed retirement plans through third-party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

JDH will analyze the plan's current investment platform and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. JDH will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

JDH will recommend changes in the plan's investment vehicles as may be appropriate from time to time. JDH generally will review the plan's investment vehicles and investment policy as necessary.

JDH also works in coordination and support with BSP. Retirement plan clients will engage both JDH and BSP. BSP will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintaining the plans' investments according to the goals and investment objectives of the plan.

JDH will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### *Financial Planning Services*

JDH also provides advice in the form of Financial Planning. Clients utilizing this service will receive financial planning advice. Various types of reports or financial analysis may be provided to the client. The types of reports provided to clients will vary depending upon the services requested by the client.

In general, the financial analysis or reporting will address one or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years. JDH may illustrate the impact of various investments on a client's current income tax and future tax liability.
- Investments: Analysis of investment alternatives and their effect on a client's portfolio.
- Insurance: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Education: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet dependent's continuing educational needs through development of an education plan.

Financial planning advice may also include non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

JDH gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed. Related documents supplied by the client are carefully reviewed and various types of written reports may be prepared by JDH. Should a client choose to implement the recommendations in the report(s), JDH suggests the client work closely with his/her attorney, accountant or insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion and the client is under no obligation to effect transactions through JDH.

## Item 5 – Fees and Compensation

All account minimums and advisory fees are subject to negotiation.

### *Advisory Fees*

#### **Investment Management Services**

The annual fee for investment management services will be charged as a percentage of assets under management, according to the standard schedule below:

Assets Under Management	Annual Fee (%)
Up to \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$2,000,000	1.00%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 - \$5,000,000	0.60%
\$5,000,001 - \$10,000,000	0.45%
\$10,000,000 or greater	0.20%

\* Annual minimum fee is \$12,500 and will be billed \$3,125 quarterly.

For foundation accounts, the annual fee for investment management services will be charged as a percentage of assets under management in accordance with the schedule below:

Assets Under Management	Annual Fee (%)
Up to \$2,000,000	0.90%
On the next 3,000,000	0.60%
On the next \$3,000,000	0.40%
On the next \$5,000,000	0.20%
\$10,000,000 or greater	0.10%

Fees are charged in advance at the beginning of each calendar quarter based upon the value (market value based on independent third-party sources or fair market value in the absence of market value; client account balances on which JDH calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter.

Reduced annual fees are charged for investment management services for JDH employees and relatives.

For Investment Management accounts, JDH will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to JDH or its designated service provider, BSP, to withdraw fees from the account.

#### **Independent Manager Fees**

As stated above in [Item 4](#), JDH may decide (in coordination with the client) to implement DFA as an Independent Manager for the management of portfolios of individual securities. In these instances, DFA will charge its own separate and distinct fee from JDH's advisory fees, which are noted above. Clients grant DFA authority at the client's custodian for DFA to directly debit client accounts for DFA's fee. Additionally, clients are required to sign an advisory agreement addendum with JDH which outlines these additional fees.

#### **Hourly Charges**

On occasion, JDH will charge for its services on an hourly basis. This will occur when the client does not meet our minimum investment amount. The hourly rate will be \$300 per hour.

### Employee Benefit Retirement Plan Services

The annual fee for 401k plan services will be charged as a percentage of assets within the plan.

Fees are typically calculated in the same manner as described above for Investment Management Services. However, third party administration service providers may actually calculate the fee each quarter based on their records and remit such fee to JDH.

Assets Under Management	JDH's Annual Fee	BSP's Annual Fee	Total Annual Fee
Up to \$500,000	0.80%	0.20%	1.00%
\$500,001 to \$1,000,000	0.80%	0.20%	1.00%
\$1,000,001 to \$2,000,000	0.60%	0.15%	0.75%
\$2,000,001 to \$3,000,000	0.40%	0.15%	0.55%
\$3,000,001 to \$5,000,000	0.35%	0.15%	0.40%
\$5,000,001 to \$10,000,000	0.275%	0.075%	0.35%
\$10,000,001 and up	0.30%	0.05%	0.35%

\* Annual minimum fee is \$4,000 and will be billed \$1,000 quarterly.

### Financial Planning Services

JDH's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Financial planning fees will be charged in one of two ways:

- A. On an hourly basis of \$300 per hour depending on the nature and complexity of each client's circumstances.
- B. As a fixed fee of \$3,000.

Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, JDH will typically provide an estimate for the total cost at the start of the advisory relationship.

JDH may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

### Additional Information

All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.



JDH has contracted with BSP for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. JDH pays a fee for BSP services based on management fees paid to JDH on accounts that use BSP. The fee paid by JDH to BSP consists of a portion of the fee paid by clients to JDH and varies based on the total client assets participating in BSP through JDH. These fees are not separately charged to advisory clients. JDH also retains BSP as an Independent Manager for the management of client accounts.

All fees paid to JDH for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in mutual funds directly, without the services of JDH. In that case, the client would not receive the services provided by JDH which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. DFA funds also may not be available to the client directly. Accordingly, the client should review both the fees charged by the funds and the fees charged by JDH to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

JDH does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## Item 7 – Types of Clients

JDH manages investment portfolios for individuals, qualified retirement plans, trusts, and small businesses. JDH charges a minimum annual fee of \$12,500 and requires a minimum of \$1,000,000 in assets under management for new investment management services clients. Complete, laddered fixed income portfolios generally require a minimum investment of \$400,000 of fixed income assets, although individual bonds may be purchased in smaller increments. JDH also charges a minimum annual fee of \$5,000 for 401(k) retirement plans.

This minimum annual fee may be negotiable under certain circumstances. Accounts for business entities and accounts related thereto, including those of the business owner, are charged fees based upon the total account balances of all such related accounts.

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

### *Methods of Analysis and Investment Strategy*

JDH's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. JDH's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. JDH recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. JDH selects or recommends portfolios of securities, principally broadly-traded open end mutual funds, ETFs and conservative fixed income securities, to implement this investment strategy.

Although all investments involve risk, JDH's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. JDH's investment

philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that JDH's strategy seeks to minimize.

In the implementation of investment plans, JDH therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. JDH may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and JDH may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

JDH's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

JDH receives supporting research from BSP and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). JDH utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to JDH.

### **Analysis of a Client's Financial Situation**

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, JDH relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, JDH may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by JDH may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in JDH's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer- term bonds.

Certain funds utilized by JDH may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in a representative mutual fund prospectus within each applicable sector.

### **Interval Fund Risk**

An interval fund is a type of closed-end fund containing shares that do not trade on the secondary market. Instead, the fund periodically offers to buy back a percentage of outstanding shares at net asset value.

The rules for interval funds, along with the types of assets held, make this investment largely illiquid compared with other funds. The primary reasons for investors to consider investing in interval funds JDH may utilize include, but are not limited to, gaining exposure to certain risk categories that provide diversified sources of expected returns, part of which may be in the form of illiquidity premiums. Access to the intended risk and expected return characteristics may not otherwise be available in more liquid, traditional investment vehicles.

Where appropriate, JDH may utilize certain interval funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940.

Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired, and the fund may suspend or postpone purchases. Clients should carefully review the fund's prospectus to more fully understand the interval fund structure and the corresponding liquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of JDH or the integrity of JDH's management. JDH has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

### *Affiliated Accounting Firm*

A Member of JDH also has a relationship with the accounting firm of Linkenheimer LLP (hereinafter "Linkenheimer") as a partner.

Linkenheimer may recommend JDH to accounting clients in need of advisory services. JDH may recommend Linkenheimer to advisory clients in need of accounting services. Accounting services provided by Linkenheimer are separate and distinct from the advisory services of JDH and are provided for separate and typical compensation. No JDH client is obligated to use Linkenheimer for any accounting services.

### *Insurance Services*

Ralph John Jones and Matthew Delaney, Members of JDH, are insurance agents. JDH is licensed as an insurance agency. Licensed insurance agents of JDH may recommend and offer insurance coverage—Long Term Care, Term, Whole Life, and Universal Life—for clients desiring to implement their insurance needs through JDH.

The agency receives standard insurance agency commissions on its traditional insurance sales activities. Additionally, in their capacity as licensed insurance agents, individuals may receive sales awards and incentives for hitting certain thresholds. JDH is licensed to sell insurance products in the State of California and may be exempt from licensing in other states.

Advisory clients are not under any obligation to engage JDH when considering implementation of insurance recommendations. The implementation of any or all such recommendations is solely at the discretion of the client.

### *Buckingham Strategic Partners, LLC*

As described above in Item 4, JDH may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios. JDH selects BSP for such portfolio management. JDH also contracts with BSP for back-office services and assistance with portfolio modeling. JDH has a fiduciary duty to select qualified and appropriate managers in the client's best interest and believes that BSP effectively provides both the back-office services that assist with its overall investment advisory practice and portfolio management services. The management of JDH continuously makes this assessment. While JDH has a contract with BSP governing a time period for back-office services, JDH has no such fixed commitment to the selection of BSP for portfolio management services and may select another investment manager for clients upon reasonable notice to BSP.

JDH assures that all material conflicts of interest will be disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

As a fiduciary, JDH has certain legal obligations, including the obligation to act in clients' best interest. JDH maintains a Business Continuity and Succession Plan and seeks to avoid a disruption of service to clients in the event of an unforeseen loss of key personnel, due to disability or death. To that end, JDH has entered into a succession agreement with Buckingham Strategic Wealth, LLC effective January 26, 2022. JDH can provide additional information to any current or prospective client upon request Matthew J. Delaney, Managing Member and Chief Compliance Officer, at (707) 542-1110.

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

JDH has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. JDH's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth JDH's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with JDH may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of JDH that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, JDH requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. JDH also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

JDH's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. JDH requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

JDH will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## Item 12 – Brokerage Practices *Investment Management Services*

JDH arranges for the execution of all securities transactions with the assistance of BSP. Through BSP, JDH may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., ("Schwab") and the Fidelity Institutional Wealth Services (FIWS) program sponsored by Fidelity Brokerage Services LLC ("Fidelity"). Schwab and Fidelity are unaffiliated SEC-registered and FINRA member broker dealers. Each offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions.

The Schwab and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. JDH regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to JDH's service arrangements and capabilities, and JDH may not accept clients who direct the use of other brokers. As part of these programs, JDH receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure.)

As JDH will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must agree to direct JDH as to the broker-dealer to be used. In directing the use of a particular broker or dealer, it should be understood that JDH will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

JDH will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by JDH on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Schwab and Fidelity do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While JDH will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

JDH does not have any arrangements to compensate any broker dealer for client referrals.

When trading client accounts, errors may periodically occur. JDH does not maintain any client trade error gains. JDH makes client whole with respect to any trade error losses incurred by client caused by JDH.

JDH generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which JDH arranges transactions. BSP, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a JDH client's orders may be aggregated with an order for another client of BSP who is not a JDH client. For more information regarding this practice, please see BSP's Form ADV Part 2.

### *Participant Directed Employee Benefit Plan Services*

JDH does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation and third-party administration services.

### *Financial Planning Services*

JDH's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations. JDH may recommend any one of several brokers. JDH clients must independently evaluate these brokers before opening an account. The factors considered by JDH when making this recommendation are the broker's ability to provide professional services, JDH 's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. JDH's financial planning clients may use any broker or dealer of their choice.

## **Item 13 – Review of Accounts**

### *Reviews:*

#### **Investment Management Services**

Account assets are supervised continuously and formally reviewed by an advisor of JDH. Each investment adviser representative of JDH regularly reviews client accounts. The review process contains each of the following elements:

1. assessing client goals and objectives;



2. evaluating the employed strategy(ies);
3. monitoring the portfolio(s); and
4. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a specific client request;
- a change in client goals and objectives;
- an imbalance in a portfolio asset allocation; and/or
- market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third-party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services**

Plan sponsors are provided with quarterly information and annual performance reviews from JDH. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

#### **Financial Planning Services**

Financial Planning accounts will be reviewed as contracted for at the inception of the advisory relationship.

#### *Reports:*

#### **Investment Management Services**

Asset management clients will receive quarterly performance reports, prepared by BSP and reviewed by JDH, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions, cost basis of securities, and current market value.

#### **Employee Benefit Retirement Plan Services**

Plan sponsors are provided with quarterly information and annual performance reviews from JDH. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

#### **Financial Planning Services**

Financial Planning clients will receive reports as contracted for at the inception of the advisory relationship.

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

As indicated under the disclosure for Item 12, SAS and FIWS each respectively provide JDH with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit JDH but may not benefit its clients' accounts. Many of the products and services assist JDH in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of JDH's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client

reporting. Many of these services generally may be used to service all or a substantial number of JDH's accounts. Recommended brokers also make available to JDH other services intended to help JDH manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. JDH does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers.

While as a fiduciary, JDH endeavors to act in its clients' best interests, JDH's requirement that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to JDH of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

JDH also receives software from DFA, which JDH utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for JDH personnel including participation at an annual DFA Conference. These services are designed to assist JDH plan and design its services for business growth.

## Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. JDH urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16 – Investment Discretion

JDH requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

For fixed income securities, this authority will include the discretion to retain a third-party money manager for fixed income accounts.

## Item 17 – Voting Client Securities

As a matter of firm policy and practice, JDH does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. However, JDH may provide advice to clients regarding the clients voting of proxies.

## Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about JDH's financial condition. JDH does not accept prepayment of fees of more than \$1,200 per client six or more months in advance. JDH has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.