



# ROCKBRIDGE

## INVESTMENT MANAGEMENT

**220 South Warren Street, 9<sup>th</sup> Floor**

**Syracuse, NY 13202**

**315.671.0588**

**[www.rockbridgeinvest.com](http://www.rockbridgeinvest.com)**

### **Form ADV Part 2A**

### **Firm Brochure**

This brochure provides information about the qualifications and business practices of Rockbridge Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at [www.info@rockbridgeinvest.com](mailto:www.info@rockbridgeinvest.com) or 315.671.0588.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training.

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

**March 29, 2022**

## **Item 2 – Material Changes**

Updated Item 5; Changed advisory fees for certain AUM ranges for new clients. There are no AUM management fee schedule changes for existing clients. For clients with less than \$500,000 in AUM, we reserve the right to charge an annual \$100 per household fixed fee, billed quarterly.

### **Item 3 – Table of Contents**

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## **Item 4 – Advisory Business**

Rockbridge Investment Management, LLC (hereinafter referred to as “RIM”) has been in business since 1997. The principal owners are Craig Buckhout and Anthony Farella.

### *Assets Under Management*

As of December 31, 2022, RIM manages \$1,262,908,782 in client assets broken down as follows:

Discretionary - \$1,221,182,489

Non-Discretionary - \$41,726,293

### *Investment Management Services*

We provide investment management services to our clients on a discretionary and non-discretionary basis. When we manage client assets on a discretionary basis, we execute securities transactions for clients without having to obtain specific client consent prior to each transaction. Discretionary authority is limited to investments within clients’ managed accounts. When we manage client assets on a non-discretionary basis, we notify client and obtain specific client consent prior to each transaction.

We also provide investment management services including, advice regarding asset allocation and the selection of investments, portfolio design, asset allocation, investment plan implementation and ongoing investment monitoring. We rely on the stated objectives of the client and consider the client’s risk profile and financial status prior to making any recommendations.

### *Investment Supervisory Services*

Investment supervisory services consist of constructing a portfolio for each client to achieve established risk objectives. The portfolio may include various funds, primarily passively managed, that would have the greatest probability of achieving the returns allowed by global capital markets at the lowest cost. The portfolio would be rebalanced on a regular basis to reflect previously established commitments to each market/asset class.

We also provide investment supervisory services for 401(k) or other qualified retirement plans that consist of constructing a portfolio to achieve established risk objectives. The portfolio would include various funds, primarily passively managed, that would have the greatest probability of achieving the returns allowed by global capital markets at the lowest cost. The portfolio would be rebalanced on a regular basis to reflect previously established commitments to each market/asset class.

### *Financial Planning and Consulting Services*

For certain clients we may provide financial planning and consulting services under a separate fee arrangement that are consistent with the client's financial and tax status, in addition to risk profile and return objectives.

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

We start the comprehensive financial planning process by taking a financial inventory. This generally involves gathering enough data to perform an analysis of client liabilities, cash flow and net worth analysis, and tax assessments. Our next step typically involves assisting clients with formalizing their goals and plotting their investment timelines.

### *Financial Planning Conflicts of Interest*

When both investment management and financial planning services are offered, there is a potential conflict of interest since there is an incentive for an advisor offering financial planning services to recommend services for which the advisor, or a related party, may receive compensation. However, financial planning clients are under no obligation to act upon any of our recommendations or to affect any transactions through us if they decide to follow the recommendations.

### *Tax Preparation Services*

Tax preparation services are offered to RIM clients for an additional fee. These services include:

- Individual Income Tax Returns
- Business Tax Returns
- Trust Tax Returns
- Estate Tax Returns

The cost of tax preparation services is in addition to a client's wealth management fee. In limited circumstances, at RIM's discretion, tax preparation services are included in a client's standard wealth management fee. RIM, at its sole discretion, can waive or negotiate fees. All tax preparation services are provided and billed by RIM. Clients are under no obligation to use Rockbridge tax services.

When RIM provides investment advice to you regarding your retirement plan account or individual retirement account, RIM is a fiduciary 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. Under the above noted rules, RIM must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);

- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **Item 5 – Fees and Compensation**

### *Investment Management Fees – Individual Clients*

<b><i>Market Value of Assets</i></b>	<b><i>Annual Fee Percentage</i></b>
<i>Up to \$1,000,000</i>	<i>0.90%</i>
<i>From \$1,000,001 to \$5,000,000</i>	<i>0.60%</i>
<i>From \$5,000,001 to \$10,000,000</i>	<i>0.40%</i>
<i>Above \$10,000,001</i>	<i>0.20%</i>

### *Investment Management Fees – Institutional Clients*

<b><i>Market Value of Assets</i></b>	<b><i>Annual Fee Percentage</i></b>
<i>Up to \$1,000,000</i>	<i>0.65%</i>
<i>From \$1,000,001 to \$10,000,000</i>	<i>0.50%</i>
<i>From \$10,000,001-\$20,000,000</i>	<i>0.25%</i>
<i>Above \$20,000,001</i>	<i>0.10%</i>

Should RIM service clients with less than \$500,000 in AUM, we reserve the right to charge a 1% management fee and an annual \$100 per household fixed fee, billed quarterly.

We also provide investment advice and education through consultations with participants in various 401(k) plans. The charge for these services is generally a fixed fee negotiated with the plan sponsor. The education and investment advice are focused on helping participants determine if they are saving enough to meet their retirement investment goals and helping them understand the allocation of their 401(k) investments among available options.

Account custodian may charge fees, which are in addition to and separate from advisory fees, such as transaction, retirement plan and administration fees. Mutual funds have annual expenses and may assess other fees, which are described in each fund's prospectus. Advisory clients should note that fees for comparable services vary and lower or higher fees for comparable services may be available from other sources.

We are typically compensated for investment management services based on the amount of client assets under management or a negotiated fee. Management fees are paid quarterly in arrears and are due on the first day of each calendar quarter, based on the account's asset value as of the last business day of the prior calendar quarter. Management fees are prorated for accounts opened during the quarter. We primarily deduct fees directly from client accounts. Clients may request to be invoiced and pay fees from sources other than assets under management.

All clients have the option to terminate any or all services at any time without penalty.

For billing purposes, accounts may be grouped by households. The definition of household for billing purposes is relation by blood or marriage, and/or family members living under the same roof and/or hierarchy (grandparents, parents, children, grandchildren).

#### *Financial Planning and Consulting Fees*

We charge a fixed project fee for financial planning and consulting services. Fees are based on the complexity of the required financial plan and the range of services provided. Clients who select planning or consulting services are quoted a fee for services prior to engagement. Project fees typically range from \$2,500 to \$10,000.

If a client requests a written financial plan, we typically complete and deliver a written financial plan within two weeks.

Project fees are due and payable upon completion of the plan or services.

#### *Tax Preparation Service Fees*

Tax preparation service fees are calculated based on the complexity of the return and range from \$0/year to \$10,000/year. Payment is due at the delivery of service. Documents are completed and delivered to client within 120 days.

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

RIM does not charge or receive, directly or indirectly, any performance-based fees.

### **Item 7 – Types of Clients**

We provide advisory services to:

- Individuals, including their trusts, estates, IRAs and those of their family members.
- High net worth individuals (someone who individually or jointly with a spouse has more than \$750,000 managed by us, or a net worth of \$1,500,000 excluding the value of their primary residence).



- Nonprofit organizations, including charitable, social welfare, agricultural/horticultural, labor, business leagues, trade associations, and entities that operate for religious, artistic, charitable, scientific, educational, and public safety purposes.
- Business entities, including corporations
- Pension and profit-sharing plans and participants

#### *Account Minimums*

We do not impose a minimum account requirement on clients.

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

RIM has discretion to select the types of securities purchased and sold, and to employ various securities trading and investment techniques.

We may recommend one or a combination of assets and investment strategies as follows:

#### *Mutual and Exchange Traded Funds*

We primarily recommend index and passively managed mutual funds and Exchange Traded Funds (“ETFs”) when designing client portfolios. We select funds and ETFs based on how closely the funds’ characteristics reflect the asset class they represent, diversification and cost.

The primary method of analysis consists of reviewing past results compared to what was available in domestic and international capital markets as represented in published indices.

Our primary investment strategy consists of allocating funds among several diversified financial asset portfolios designed to replicate specific markets/asset classes at lowest overall cost to meet specific, well-understood risk objectives. Important to this strategy is the periodic measurement of results to ensure these objectives are being achieved.

The primary source of information consists of published data on returns from various indices that represent various domestic and international capital markets. Other sources of information include specific results of active investment managers and data from public and proprietary databases.

Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested including any gains, and that they should not invest unless they are able to bear these losses. We work with our clients to structure a portfolio that bears a level of risk that is understood and consistent with established goals and objectives.

### ***Item 8.A – Frequent Trading of Securities***

RIM is not involved in the frequent trading of securities.

### ***Item 8.B – Material Risks of Particular Securities***

RIM invests primarily in mutual funds and ETF's that are well diversified and own assets that are traded in well-functioning capital markets. Assets held within a mutual fund may include any of the following securities that have significant risk of price volatility:

**Small and Micro-cap equity securities** (shares in companies that have a market capitalization of less than \$3.5 billion) – these are stocks in companies that tend to have smaller market capitalization. Share prices can be extremely volatile and are prone to great fluctuations. This is primarily because of their smaller capitalization which can allow stock prices to be more easily influenced by events. This potential volatility presents a material risk for investors who could quickly lose a large part of their investments during a market downturn.

**Municipal securities** – these securities are backed by either the full faith and credit of the issuer or by revenue generated by a specific project (like a toll road or parking garage) for which the securities were issued. The latter type of securities could quickly lose value or even become virtually worthless if the expected project revenue does not meet expectations.

**High-Yield Corporate Debt Securities** –these bonds are typically issued by corporations that have lower credit ratings. Because of these lower ratings, corporate issuers must offer higher rates of return to attract investors. The issuing corporations may not be as financially solvent as other issuers with higher credit ratings, so bondholders assume a greater risk that an issuer may default on its repayment obligations causing investors to lose some or all of their investments. In addition, if the issuer suffers financial setbacks the bonds may suffer dramatic losses in value in the secondary markets causing investors to be unable to sell the bonds without sustaining substantial financial losses.

**Real Estate Investment Trusts (“REITs”)** – a REIT is a tax designation for a corporation investing in real estate that reduces or eliminates corporate income taxes and is required to distribute 90% of their income to investors. As a result of the special tax considerations, REITs typically offer investors high yields. Individuals can invest by purchasing shares directly on an open exchange or by investing in a mutual fund that specializes in public real estate, so REITs can be highly liquid.

REIT investing is not without risk. Real estate construction projects have a long timeline which can result in overbuilding of types of properties owned by REITs. Higher interest rates may increase borrowing costs for construction, financing of the purchase of REIT owned properties and operating costs for existing REIT owned business properties. Any of these events may cause a substantial decline in the value of REIT investments.

Clients should consult us if they have questions concerning the basic characteristics of these or other investment products or about the risks and potential rewards of investing.

## **Item 9 – Disciplinary Information**

RIM and our management personnel do not have any disciplinary information to disclose.

### ***Item 9.A – Criminal or Civil Actions***

Neither RIM nor any management person has been found guilty of or has any criminal or civil actions pending in a domestic, foreign or military court.

### ***Item 9.B – Administrative Proceedings***

Neither RIM nor any management person has any administrative proceedings pending before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

### ***Item 9.C – Self-Regulatory Organization (“SRO”) Proceedings***

Neither RIM nor any management person has been found by any SRO to have caused an investment-related business to lose its authorization to do business, or to have been involved in a violation of the SRO’s rules, or was barred or suspended from membership or from association with other members, or was expelled from membership, otherwise significantly limited from investment-related activities, or fined more than \$2,500.

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

### ***Item 10.A – Broker-Dealer Registration***

#### ***Broker-Dealer***

Neither RIM nor its management persons is or owns a securities broker-dealer registered with the Securities and Exchange Commission (“SEC”), a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protector Corporation (“SIPC”) or has an application for registration pending. No associated person of RIM is a registered representative of a broker-dealer.

### ***Item 10.B – Futures Commission Merchant/Commodities***

#### *Commodity Broker*

Neither RIM nor any of its management persons is a commodity broker/futures commission merchant, a commodity pool operator, commodity trading advisor or an associated person for the foregoing entities or has an application for registration pending.

### ***Item 10.C – Relationships with Related Persons***

Neither RIM nor any of its management persons have any material relationships with related persons that create a material conflict of interest with clients.

#### *Pension Consultant*

RIM acts as a consultant to public and private entities concerning their pension and profit-sharing plans and may offer educational advice to participants.

### ***Item 10.D – Relationships with Other Advisors***

Neither RIM nor any of its management persons have any other material relationships or conflicts of interest with any related financial industry participants.

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

### ***Item 11.A – Code of Ethics***

RIM has adopted a Code of Ethics that sets forth standards of conduct expected of advisory personnel and to address conflicts that arise from personal trading by advisory personnel. Our personnel are obligated to adhere to the Code of Ethics, and applicable securities and other laws.

The Code covers a range of topics that may include general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code to any client or prospective client upon request.

### ***Item 11.B – Participation or Interest in Client Transactions***

#### *Principal Trading*

Neither RIM nor any affiliated broker-dealer effects securities transactions as principal with RIM clients.

#### *Personal Trading of Associates Affiliated with a Brokerage Firm*

No associate of RIM is affiliated with a brokerage firm.

#### *Agency-Cross Transactions*

Neither RIM nor any associated person recommends to clients, or buys or sells for client accounts, securities in which RIM or an associated person has a material financial interest. Neither RIM nor any associated person acting as a principal, buys securities from (or sells securities to) clients, acts as general partner in a partnership in which we solicit client investments, or acts as an investment advisor to an investment company that we recommend to clients.

### ***Item 11.C – Personal Trading by Associated Persons***

Associated persons of RIM may buy or sell for their own accounts the same securities that are purchased or sold in the accounts of our clients. We primarily recommend and invest client assets in open-end mutual funds and exchange-traded funds. These securities include no-load mutual funds designed to provide cost-effective diversification within particular markets or asset classes. Any transaction in securities other than mutual funds will consist of securities traded in well-functioning, liquid markets, and only at the same terms and conditions that are available to clients.

Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients. Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell specific securities for their accounts based on personal investment considerations that we may not deem appropriate for clients.

### ***Item 11.D – Conflicts of Interest with Personal Trading by Associated Persons***

See Item 11.C above.

## **Item 12 – Brokerage Practices**

### ***Item 12.A – Factors in Selecting or Recommending Broker-Dealers***

RIM makes custodial recommendations that are based on our perception of the breadth of services offered and quality of execution. However, the client may pay commissions or fees that are higher or lower than those that may be obtained elsewhere for similar services.

We recommend that clients establish accounts with either the institutional division of Charles Schwab & Co., Inc. ("Schwab") or TDAmeritrade Institutional ("TDA"), FINRA-registered broker-dealers and SIPC members, to maintain custody of clients' assets and to effect trades for their accounts.

Although we may recommend that clients establish accounts at Schwab or TDA, it is the client's decision to custody assets with either Schwab or TDA. RIM is independently owned and operated and not affiliated with Schwab or TDA. Schwab and TDA provide us with access to their institutional trading and custody services, which are typically not available to their retail investors.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them, as long as at least \$10 million of an advisor's clients' assets are maintained in accounts at Schwab or TDA and are not otherwise contingent upon an advisor committing to any specific amount of business (assets in custody or trading). Brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum investment.

Schwab and TDA do not charge separately for client accounts maintained in their custody but are compensated by account holders through commissions or other transaction-related fees for securities trades. Most trades are in Mutual Funds and ETF's, for which there are no transaction costs. RIM's trading is generally web-based batch trading which results in lower commissions and access to less expensive fund share classes. We do not participate in any soft-dollar trading activity.

Stock trading is limited. Fixed Income Investments in most cases do not incur transaction fees and are generally limited to Treasury Bills, Notes, and Bonds.

Schwab and TDA also make available other products and services that benefit us but may not directly benefit our clients' accounts. Many of these products and services are used to assist in managing and administering clients' accounts such as software and other technology which provides access to client account data, facilitates trade execution, provides research, pricing information and other market data, facilitates payment of fees from clients' accounts, and assists with back-office functions. These are used to service all of our accounts, including those not maintained at Schwab or TDA.

For certain retirement plan clients, we recommend establishing custodial accounts with TDAmeritrade Trust Company.

TDAmeritrade Trust Company (TDATC) is a wholly owned subsidiary of TDAmeritrade Holding Company, which is itself a public-traded and audited firm with headquarters in Omaha, Nebraska.

TDATC is a state-chartered, non-depository trust company regulated by the Maine Division of Banking. TDATC provides custodial and directed trustee services exclusively for corporate and non-profit retirement accounts. Trading is effected at the plan level from trade instructions transmitted by the plans' record-keepers. TDATC also facilitates disbursements from the plan and provides any 1099R tax reporting related to those disbursements.

TDATC is not a member of FINRA/SIPC. TDATC does not provide investment advice or provide any other advisory services. TDATC and its parent company maintain effective internal controls through their formal Internal Control Assessment Program.

For certain clients, RIM has established relationships with other broker-dealers so securities may be purchased through them and then delivered to the clients' custodial accounts. This relationship provides information that helps ensure best execution on the clients' behalf.

Clients are advised that they are under no obligation to act on our recommendations.

#### *Brokerage Recommendations by Persons Associated with Other BD/IAs*

RIM does not select broker-dealers for client transactions. We may recommend broker-dealers, but clients are free to accept or reject such recommendations.

#### ***Item 12.A1 – Research and Other Soft Dollar Benefits***

The term "soft dollars" refers to funds which are generated by client trades being used to pay for products and services such as research and enhanced brokerage services that may be received from or through the broker-dealers that are engaged to perform securities transactions. We do not receive soft dollars generated by securities transactions of our clients.

#### ***Item 12.A2 – Brokerage for Client Referrals***

We do not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

#### ***Item 12.A3 – Directed Brokerage***

We do not require that clients direct their brokerage business to any particular broker-dealer. With regard to client directed brokerage, we are required to disclose that we may be unable to negotiate commissions, block or batch client orders or otherwise achieve the benefits described above, including best execution, if clients limit our brokerage discretion. Directed brokerage commission rates may be higher than the rates we might pay for transactions in non-directed accounts.

### ***Item 12.B – Trade Aggregation***

We do not aggregate the purchase or sale of securities for various client accounts.

### **Item 13 – Review of Accounts**

RIM reviews client accounts no less than quarterly. Individual accounts are reviewed by the responsible advisor. Craig Buckhout (Manager) and Anthony Farella (Manager) have responsibility to oversee all account reviews. Accounts are rebalanced to reflect previously established long-term commitments to various asset classes. Reviews may also be triggered by changes in an account holder's personal or financial status.

All accounts are reviewed by RIM and values are reported to clients quarterly. The reports include asset allocation, market values and performance. Additionally, reports include a summary of market conditions and a newsletter covering broad investment topics of interest to our clients.

Statements are generated no less than quarterly by our custodians and are sent directly to our clients. These reports list the account positions, activity over the covered period and other related information. The custodians also send confirmations following each account transaction unless confirmations have been waived.

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

RIM does not have an arrangement under which it or its related persons compensate others for client referrals.

We do not receive any economic benefit from anyone who is not a client for providing advisory services to clients. This includes sales awards or prizes.

### **Item 15 – Custody**

RIM does not accept custody of client funds or securities. However, RIM has inadvertent custody as follows:

Invoicing: RIM is deemed to have custody of the funds and securities due to its authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because RIM has written authorization from each client to deduct advisory fees from the account held with the qualified custodian and each time a fee is directly deducted from a client account, we send the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account.



Standing Letters of Authority: RIM has been deemed to have inadvertent custody as a result of you providing us with Standing Letters of Authorization (“SLOA(s)”) to withdraw funds from your portfolio account to pay third parties. Notwithstanding that, a surprise examination is not required as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, RIM confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) The custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the your authorization, and the custodian provides a transfer of funds notice to you promptly after each transfer; (4) you have the ability to terminate or change the instruction to the custodian; (5) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the your instruction; (6) we maintain records showing that the third party is not a related party of RIM or located at the same address as RIM; and (7) the custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Client assets are held by qualified custodians, and clients receive account statements directly from the qualified custodian that maintains the assets. These statements should be carefully reviewed by the client to verify accuracy of the information.

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

In most cases, RIM will have discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. We do not have discretion over the selection of the broker to be used or the commission rates to be paid.

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

We do not accept authority to vote proxies on behalf of clients as a matter of policy. Clients will receive their proxy information directly from their custodian.

Clients may contact us with questions about a particular solicitation by telephone at (315) 671-0588 or e-mail at [info@rockbridgeinvest.com](mailto:info@rockbridgeinvest.com)

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

We do not require prepayment of advisory fees in the amounts of \$1200 and six months in advance, so no audited balance sheet is being provided.

There are no financial conditions or commitments that are likely to impair the firm's ability to meet any contractual or fiduciary commitment to our clients.