

*brochure*



This brochure provides information about the qualifications and business practices of être llc. If you have questions about the content, please contact the firm at the number listed below. The information found herein has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about être llc is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Section I. Advisory Business

A. Describe the advisory firm, including how long the firm has been in business. Identify the firm's principal owner(s).

être llc (être) provides financial planning and investment management services, on a fee-only basis, to individuals, families, and trusts. Paula E. Chauncey, CFA, Managing Partner, established the firm in 2001 and remains the sole owner.

B. Describe the types of advisory services offered by the firm.

être provides two core services: financial planning and investment management. Services may be engaged separately or as a continuum.

### **Financial Planning**

être provides comprehensive financial planning services including but not limited to:

- Mapping the client's current financial picture by evaluating all relevant personal and financial data.
- Assisting the client in exploring and defining financial goals, challenges, concerns, and planning assumptions.
- Analyzing and developing alternative solutions to achieve stated goals and objectives.
- Developing and delivering recommendations with respect to:
  - a. Retirement planning strategies
  - b. Asset accumulation and general investment strategies
  - c. Income tax planning
  - d. Stock option analysis and planning
  - e. Insurance planning
  - f. Family savings and cash flow planning
  - g. Family financial governance and philanthropy
  - h. Charitable giving
  - i. Business management
  - j. Debt management
  - k. Employee benefit utilization
  - l. Estate planning
  - m. Other issues unique to a client's situation.

The firm gathers information, models alternatives, and develops a financial plan in close consultation with the client. Upon completion, the client receives the following:

- Action plan outlining financial goals, and related milestones, and defining progress benchmarks and target completion dates;
- Financial summary organizing all relevant source data and documenting the status and objectives for key financial goals; and
- Timeline for monitoring, evaluating progress toward and updating plan objectives.

Based on the engagement scope, the firm develops and presents the financial plan within a four- to five-month period. Following plan delivery, a client may choose to engage the firm for ongoing planning services to update plan inputs, benchmark progress relative to stated financial goals, and address changes in client circumstances within the context of the plan. The client may also elect to conclude planning services and contact the firm if, as, and when future planning needs arise.

The financial plan does not include recommendations regarding specific investments as this task belongs to the investment management realm of the relationship. A client has full discretion to engage the firm to implement plan recommendations; however, there is no obligation or requirement to do so.

#### **Investment Advisory and Management Services**

être designs and manages custom investment portfolios built upon a documented Investment Policy Statement (IPS), which defines the client's objectives and expectations relative to investment returns, outlines the client's stated risk parameters, and sets forth the guidelines for managing the portfolio. The IPS guides all aspects of portfolio management, including asset allocation, security selection, and performance reporting, and it defines the procedures used to execute the investment strategy. Investment services include the development of the IPS, the transfer of assets to a custodian for safekeeping and administration, and the design and execution of the portfolio investment strategy.

The firm tailors client portfolios to reflect individual goals, objectives, and constraints. Guided by these variables, the firm designs an asset allocation that is both aligned with the client's financial objectives and yields an efficient portfolio providing the highest level of return for a given degree of risk. It is within the context of this asset allocation that the firm selects individual investments. Portfolio design and management generally proceeds as follows:

- Draft Investment Policy Statement
  - a. Identify investment objectives and return expectations
  - b. Define risk tolerance
  - c. Determine investment constraints
  - d. Document portfolio management guidelines
- Design and execute asset allocation strategy
  - a. Develop asset allocation strategy, including both the selection and weighting of asset classes
  - b. Undertake due diligence on, and recommend, appropriate investment vehicles
  - c. Execute asset allocation strategy
- Monitor, measure, and report on portfolio performance
  - a. Deliver, quarterly, the following reports:
    - i. Portfolio performance over the past quarter, past one-, three- and five-year periods, and from inception
    - ii. Performance of individual investments for the same periods in isolation and compared to relevant benchmarks
    - iii. Performance reporting on a basis compliant with Global Investment Performance Standards (GIPS®)
    - iv. End of quarter portfolio asset allocation — current versus policy allocation
    - v. Recommendations for changes to any of the above.

The firm's quarterly review keeps the portfolio aligned with stated objectives, ensures appropriate oversight of fund manager performance, and provides the data to track portfolio performance relative to client goals. Quarterly results are reviewed with clients. Finally, the firm reviews the IPS annually.

#### ■ Portfolio Communications

As a matter of course, the firm informs clients of material changes in its market outlook, recommended investment policy, and execution. Additionally, it immediately informs the client of any material event affecting the ownership of the firm or the management of the client's portfolio.

**Investment Advisory and Management Services (cont.)**

■ Portfolio Rebalancing

Over time, market conditions may cause the portfolio's weighting in asset classes to vary from the policy allocation. To maintain adherence to the asset allocation established by the IPS, the firm reviews the portfolio's allocation quarterly. If the actual weighting diverges from the target weighting such that it exceeds IPS tolerance guidelines, the firm notifies the client and evaluates rebalancing options.

*C. Explain whether (and, if so, how) the firm tailors its advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*

Portfolio Design. As discussed in Section I.B., être constructs portfolios designed to achieve the client's financial and broader lifestyle objectives. Within the context of portfolio design, the firm encourages clients to discuss their values, preferences, and desired outcomes. Clients may impose restrictions on investing in certain securities that may conflict with those values, preferences, and outcomes.

Education. Each client arrives with his or her own investing history, knowledge of investment principles, understanding of the capital markets, and desire for transparency vis-à-vis the process of designing and executing financial planning and investment solutions. être believes that an educated client is critical to the strength and long-term success of the investing partnership. Consistent with this belief, the firm views education as a core responsibility of the advisory relationship and allocates resources in accordance therewith.

*D. If the firm participates in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how the firm manages wrap fee accounts and how the firm manages other accounts, and (2) explain that the firm receives a portion of the wrap fee for its services.*

être does not participate in wrap fee programs.

*E. Disclose the amount of client assets managed by the firm on both a discretionary and non-discretionary basis. Disclose the "as of" date used to report client assets.*

être managed \$141,719,562 in assets on a discretionary basis as of December 31, 2022. The firm does not manage assets on a non-discretionary basis.

**Section II. Fees and Compensation**

*A. Describe how the firm is compensated for advisory services and provide its fee schedule. Disclose whether fees are negotiable.*

être is a fee-based financial adviser. It does not accept commissions or other referral-related revenues from financial services firms, nor does it receive compensation from third parties for work performed on clients' behalf. This compensation structure reflects the firm's commitment to placing the interests of clients foremost.

Financial Planning. Based on the nature and scope of the engagement, a client may pay for services in one of three ways:

1. Hourly fee. The firm recommends this approach for engagements involving topical financial planning and analyses of a discrete nature. The firm's current hourly rate is \$500, with services billed monthly in arrears.
2. Project fee. The firm recommends this approach for engagements involving a greater depth and complexity of financial planning issues. It estimates the fee at the onset, based upon the complexity of issues and the accompanying investment of time and

analytic resources required to develop a plan. An initial retainer of \$1,000 is payable in advance and applied against the engagement fee. The firm bills for services upon completion of designated benchmarks in the planning process.

3. Annual retainer fee. The firm recommends this approach when the nature of the planning work is both complex and involves ongoing financial developments requiring regular consultation and guidance. The firm establishes the annual fee at the start of the service year, based upon the scope of work, and invoices services quarterly in arrears.

**Investment Advisory and Management.** être offers investment management services on a fee-only basis. The firm outlines its services, and the accompanying fee schedule, in a Letter of Engagement (LOE) signed by the client. The LOE reflects the fee schedule in effect at the time the client relationship commences and may differ from that outlined below. The fee structure for a particular relationship may be negotiable under certain circumstances.

Annual investment advisory and management fees:

- 1.70% of the first \$250,000 of portfolio assets
- 1.55% of the next \$250,000 or portion thereof
- 1.35% of the next \$500,000 or portion thereof
- 1.10% of the next \$1,000,000 or portion thereof
- 1.00% of the next \$1,000,000 or portion thereof

For total assets of \$3,000,000 or more, the firm applies a flat fee to the portfolio as follows:

<b><u>Total Portfolio</u></b>	<b><u>Advisory Fee</u></b>
\$3,000,001-\$4,000,000	0.98%
\$4,000,001-\$5,000,000	0.95%
\$5,000,001-\$6,000,000	0.92%
\$6,000,001-\$7,000,000	0.90%
\$7,000,001-\$8,000,000	0.88%
Above \$8,000,000	0.85%

Minimum annual fee: \$6,000

The firm invoices advisory fees in arrears, based upon the value of portfolio assets under management at quarter close. For portfolios of \$1.0 million or more, the advisory fee covers ongoing financial planning services. Special planning exercises such as the evaluation of a new business opportunity may involve additional expense and the firm will negotiate these engagements on a separate basis.

*B. Describe whether the firm deducts fees from client accounts or bills clients for fees incurred. If clients may select either method, disclose this fact. Explain how the firm bills clients or deducts its fees.*

Clients may elect to have fees deducted from portfolio accounts or remitted from non-portfolio sources. In either case, clients receive invoices reflecting the specific calculation of the advisory fee.

*C. Describe any other types of fees or expenses clients may pay in connection with the firm's advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of the firm's brochure that discuss brokerage.*

#### **Third Party Fees**

Mutual Fund Fees: être's fee schedule is separate and apart from fees charged by mutual fund companies. An investor in mutual funds will bear management fees and, in some cases, distribution fees levied by and payable to the underlying fund companies. Fees are outlined in the mutual fund prospectus and are payable whether the investor purchases the fund directly or through a financial adviser. Clients should review both advisory fees as well as fees charged by mutual fund companies to determine the full costs of investing.

Custodian Fees: All investors bear transaction fees charged by third party custodians for executing portfolio trades. These fees are payable by the client whether the client purchases the securities directly or through a financial adviser. Please refer to Section IX. Brokerage Practices for further information on these fees.

*D. If the firm's clients must pay fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how the firm determines the amount of the refund.*

The firm invoices advisory fees in arrears at quarter close. A client may terminate the investment management contract at any time and pay only the fees earned from the start of the quarter to the date of termination. The firm must receive termination notices in writing.

*E. If the firm or any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from mutual fund sales, disclose this fact and respond to the following series of questions.*

As a fee-based financial adviser, être does not accept commissions or other referral-related revenues from financial services firms nor does it receive compensation from third parties for work performed on clients' behalf.

#### **Section III. Performance-Based Fees and Side-by-Side Management**

*If the firm or any of its supervised persons accepts performance-based fees — that is, fees based on a share of capital gains on, or capital appreciation of, the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) — disclose this fact. If the firm or any of its supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that the firm or its supervised persons face by managing these accounts at the same time, including that the firm or its supervised persons have an incentive to favor accounts for which the firm or its supervised persons receive a performance-based fee, and describe generally how the firm addresses these conflicts.*

Not applicable.

#### **Section IV. Types of Clients**

*Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies or pension plans. If you have requirements for opening or maintaining an account, such as a minimum size, disclose these requirements.*

Please refer to Section I. Advisory Business and Section II. Fees and Compensation.

## Section V. Methods of Analysis, Investment Strategies and Risk of Loss

*A. Describe the methods of analysis and investment strategies the firm employs in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.*

**Overview.** The firm believes that investing success depends on i) designing and executing a strategic asset allocation within a portfolio, and ii) remaining invested across business and market cycles. Asset allocation speaks to the notion that different asset classes offer returns that are not perfectly correlated and thus, diversifying across asset classes enhances risk-adjusted returns in a portfolio.

The firm also believes that financial planning lays the foundation for an effective portfolio investment strategy, one that maximizes the probability of achieving stated financial goals while assuming only the amount of risk necessary to reach those goals. Financial planning is a long-term discipline and the investment process, which executes the discipline, should embrace a long-term focus as well.

Finally, the firm documents the client's portfolio strategy in the IPS, defining the client's objectives and expectations relative to investment returns, outlining the client's risk parameters, and setting forth the guidelines for managing the portfolio. The IPS guides all aspects of portfolio management, including asset allocation, security selection, investment execution, and performance monitoring and reporting.

**Diversification.** The firm includes a mix of asset classes in client portfolios drawing upon studies which demonstrate that diversification across asset classes delivers a higher level of return at each level of risk or, alternately, a reduced degree of risk at each level of return. These asset classes include equities and bonds across domestic, international, and emerging markets; taxable, inflation-protected, and tax-exempt exposure in fixed income markets; and stock exposure across small-, mid- and large cap sectors of the market. Additionally, investment portfolios include cash, and instruments of similar liquidity, as well as exposure to real estate and commodity asset classes.

In addition to diversification within asset classes, the firm diversifies portfolios among management styles. The firm may use a passive, or indexing, strategy to reduce portfolio costs in market sectors (e.g., large cap value equities) that enjoy broad analyst coverage. In other areas (e.g., microcap equities) that receive narrower analyst coverage, the firm may use an active strategy to capture the potential for excess returns. Finally, in some cases, the firm may utilize both active and passive management styles in a single asset class.

**Other Investment Considerations.** The firm constructs portfolios to achieve a hierarchy of needs to include liquidity for current consumption, growth of portfolio assets over time, and the ability to meet future expenses such as education, real estate purchases, retirement, philanthropic, and legacy goals. To achieve this hierarchy, the firm designs investment strategies with an emphasis on long-term growth, future income distribution potential, and the ability to address interim liquidity needs that may arise.

In general, the firm's investment recommendations include no-load mutual funds, exchange-traded funds, and publicly traded equities and bonds. The firm may also offer advice on partnership interests and private equity investments for accredited investors. Investment selections align with the client's defined return preferences, attitudes regarding risk, and the need for income production or capital appreciation. Selections are chosen, and located within portfolio accounts, with a strong focus on tax efficiency.

In developing investment recommendations and strategies, the firm relies upon commercially available research services, including information services supplying investment research as well as financial publications. The firm also draws upon company-prepared materials, third-party research reports, and company, fund, and analyst conference calls. As a registered investment adviser, the firm has access to data and information from a range of industry, sector, and macroeconomic specialists.



*B. For each significant investment strategy or method of analysis employed by the firm, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss the risks in detail. If the firm's primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.*

**Risk Management.** Each client benefits from a portfolio designed to achieve his or her discrete financial objectives, the returns needed to achieve those objectives, and the defined tolerance for, and financial capacity to bear, risk. The strategic allocation to asset classes is determined with an eye toward controlling risk while maximizing the probability of achieving return expectations. Additionally, with client approval, the firm may temporarily adjust the portfolio's asset allocation to address extreme market volatility or changes in client needs.

Similarly, manager selection and monitoring are integral to the firm's risk management and control framework. The firm conducts quarterly reviews of managers included in client portfolios within the context of peer, market, and stated investment style. Interim reviews may also occur based on changes in investment style, personnel transitions, or other factors influencing manager performance or style adherence.

*C. If the firm recommends primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.*

As indicated earlier, the firm's investment recommendations generally include no-load mutual funds, exchange-traded funds, and publicly traded equities and bonds. Investment selections are made by the firm in accordance with client-defined return goals, risk tolerance, and the need for income production and capital appreciation. Investment securities are not bank deposits and thus, are not insured or guaranteed by the Federal Deposit Insurance Corporation or any government agency. Securities fluctuate in price and are subject to the following risks:

Market: The market value of securities will rise and fall, sometimes rapidly and unpredictably. This is a basic risk associated with all securities as the market reacts to demand and supply imbalances caused by economic and geopolitical factors, natural disasters, etc. An adverse event, such as an unfavorable earnings report, may also reduce the value of a company's securities.

Management: Many mutual funds are actively managed. Management applies investment techniques and risk analyses in making investment selections; however, there is no guarantee that these decisions will produce the desired results.

Interest Rate: In general, when interest rates rise, the value of bonds declines particularly those with longer maturities. The value of equity securities is also likely to decline as interest rates rise.

Credit: An issuer of bonds may fail to make interest payments and/or to repay principal when due. Changes in an underlying issuer's financial strength or credit rating may affect a security's value.

Inflation: Inflation erodes the value of a currency over time. There is no guarantee that the returns on securities selected for clients will be able to keep pace with inflation.

Finally, investing in securities involves risk of loss, which clients should be prepared to bear.

## Section VI. Disciplinary Information

*A. If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's advisory business or the integrity of its management, disclose all material facts regarding those events.*

None.

Please visit <https://adviserinfo.sec.gov/firm/summary/121355> and select "View Form ADV by Section" in the left-hand legend to view the disciplinary history of the firm, and its registrants, specifically Section 11.

**Section VII. Other Financial Industry Activities and Affiliations**

*A. If the firm or any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.*

Not applicable.

*B. If the firm or any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.*

Not applicable.

*C. Describe any relationship or arrangement, material to the firm's advisory business or to its clients, that the firm or its management have with any related person listed below. Identify the related person and, if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how the firm addresses it.*

- 1. broker-dealer, municipal securities dealer, or government securities dealer or broker*
- 2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)*
- 3. other investment adviser or financial planner*
- 4. futures commission merchant, commodity pool operator, or commodity trading adviser*
- 5. banking or thrift institution*
- 6. accountant or accounting firm*
- 7. lawyer or law firm*
- 8. insurance company or agency*
- 9. pension consultant*
- 10. real estate broker or dealer*
- 11. sponsor or syndicator of limited partnerships.*

être operates as an independent adviser to offer investment management services. Within the context of this role, the firm requires clients to open one or more investment accounts with an independent, third-party custodian providing custody services to include the safekeeping of securities, the collection of dividend and interest payments on securities, and the execution and reporting of securities transactions and overall account activity.

The firm may establish non-binding relationships with one or more custodians including Fidelity Investments, Vanguard, TIAA-CREF, and others. There is no link between the investment advice rendered and the relationships with these custodians. In some cases, however, custodial services provide access to a trading desk serving institutional participants exclusively, the ability to have investment management fees debited directly from client accounts, access to an electronic communications network for order entry and account information, and access to mutual funds which may be available only to institutional investors. Refer to Section IX. Brokerage Practices for further information on the firm's custodian relationships.

*D. If the firm recommends or selects other investment advisers for its clients and the firm receives compensation directly or indirectly from those advisers that creates a material conflict of interest, or if the firm has other business relationships with those advisers that create a material conflict of interest, describe these practices and how the firm addresses the conflicts of interest arising therefrom.*

Not applicable.

### Section VIII. Code of Ethics, Participation in Client Transactions and Personal Trading

*A. If the firm is an SEC-registered adviser, briefly describe the firm's code of ethics adopted pursuant to SEC rule 204 A-1 or similar state rules. Explain that the firm will provide a copy of its code of ethics to any client or prospective client upon request.*

être, a member of the CFA Institute, is governed by its Code of Ethics and Standards of Professional Conduct which directs members to:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession and the interests of clients above the member's own personal interests;
- Use reasonable care and exercise independent professional judgment when conducting investment analyses, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner both to their credit and that of the profession;
- Promote the integrity of and uphold the rules governing capital markets; and
- Maintain and improve the member's professional competence and strive to maintain and improve the competence of other investment professionals.

Please visit <https://cfainstitute.org/en/ethics> to learn about the CFA Institute's Code of Ethics and Standards of Professional Conduct.

*B. If the firm or a related person recommends to clients, or buys or sells for client accounts, securities in which the firm or a related person has a material financial interest, describe the firm's practice and how the firm addresses conflicts that arise.*

Not applicable.

*C. If the firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that the firm or a related person recommends to clients, describe the firm's practice and discuss the conflicts of interest this presents and generally how the firm addresses the conflicts that arise in connection with personal trading.*

être, and its employees, may purchase or sell securities identical to those recommended for client portfolios. Firm policy directs, however, that no employee may purchase or sell a security prior to executing the same transaction for a client account. This policy prevents the firm's employees from benefiting from transactions placed on behalf of clients. Mutual fund transactions represent an exception to this rule as such trades settle at the price prevailing at market close.

Additionally, no owner or employee of être shall: i) buy or sell securities for his or her personal portfolio when the decision is derived, in whole or in part, by reason of his or her employment unless such information is also available to the investing public up on reasonable inquiry, or ii) place his or her interest ahead of that of the client.

être informs clients of their unrestricted right to decline any investment recommendation and to select any custodian of choice. Finally, the firm requires that all affiliated persons conduct business in accordance with all applicable federal and state regulations governing registered investment advisers.

*D. If the firm or a related person recommends securities to clients, or buys and sells securities for client accounts, at or about the same time that the firm or a related person buys or sells the same securities for its (or the related person's) account, describe the firm's practice and discuss the conflicts of interest that it presents. Describe generally how the firm addresses conflicts that arise.*

Please refer to C. above.

## Section IX. Brokerage Practices

*A. Describe the factors that the firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).*

The firm does not have the discretion to select broker dealers for clients nor to determine the commissions for executing portfolio transactions through same. It does, however, recommend to clients select broker dealers which the firm believes, based on experience, provide the best combination of execution services, transaction costs, and investor security.

*1. Research and Other Soft Dollar Benefits. If the firm receives research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose the firm's practices and discuss the conflicts of interest they create.*

être has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides the firm with institutional platform services. The services, which include brokerage (i.e., transaction execution), custody (safekeeping of securities), and other related services, assist the firm in administering and managing client accounts. Within the scope of this arrangement, Fidelity provides software and other technology that: i) affords access to client account data ii) facilitates trade execution iii) provides research, pricing, and other market data iv) facilitates payment of advisory fees from client accounts (when clients have requested the service), and v) supports recordkeeping and client reporting.

Fidelity also offers services intended to inform the firm of market and company developments. These services include, but are not limited to, access to third party research, publications, conferences, and webinars. These services qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934.

Fidelity does not charge advisers for institutional platform services. It does charge account holders commissions to buy or sell securities or mutual funds, and transaction fees to buy certain mutual funds. Clients would incur these charges and, in most cases, higher charges to execute these transactions directly through Fidelity or another broker dealer.

être is an independently owned and operated firm and is not affiliated with Fidelity. The firm is free to terminate its relationship with Fidelity at any time. Finally, être's clients are free to direct the firm to broker dealers of their own choosing.

*2. Brokerage for Client Referrals. If the firm considers, in selecting or recommending broker-dealers, whether the firm or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.*

Not applicable.

*3. Directed Brokerage.*

*i. If the firm routinely recommends, requests, or requires that a client direct the firm to execute transactions through a specified broker-dealer, describe the firm's practice or policy.*

être customarily recommends the use of Fidelity for custodian services. The firm has evaluated a range of custodians and believes that Fidelity provides the best combination of execution services, trading costs, investor security, and overall expertise. While the firm believes that Fidelity delivers superior execution and competitive prices, it does not independently seek best execution price capability through other broker dealers. As discussed earlier, être's clients are free to select a broker dealer of their choice.

ii. *If the firm permits a client to direct brokerage, describe the firm's practice.*

Not applicable.

B. *Discuss whether and under what conditions the firm aggregates the purchase or sale of securities for client accounts. If the firm does not aggregate orders when it could do so, explain the firm's practice and describe the costs to clients of not aggregating.*

Order aggregation involves bundling individual orders to purchase or sell the same security as one large order. Aggregated orders may include proprietary (firm) or client accounts or both. Investment advisers may aggregate orders for the sake of convenience and to achieve lower execution costs typically associated with larger orders. The firm's clients benefit from the design of a custom portfolio, which limits order aggregation opportunities. The firm has determined that the costs of order aggregation, in terms of administration, recordkeeping and compliance, exceed the potential value to clients.

#### Section X. Review of Accounts

A. *Indicate whether the firm periodically reviews client accounts or financial plans. If so, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.*

The firm reviews client portfolios quarterly to compare the actual asset allocation against the target allocation, and to rebalance as necessary, as well as to evaluate portfolio and manager performance against defined benchmarks. The firm reports results and discusses recommended revisions in strategy, if any, with the client. This review keeps the portfolio aligned with stated objectives, ensures appropriate oversight of fund manager performance, and provides the data to track portfolio performance relative to client goals. While staff may assist in report preparation, the firm's managing partner reviews all reports.

B. *If the firm reviews client accounts on other than a periodic basis, describe the factors that trigger a review.*

In addition to the quarterly review, the firm evaluates client portfolios within the context of other events such as the commitment of new capital, material changes in client circumstances, rising market volatility, and unanticipated liquidity needs on the part of clients.

C. *Describe the content and indicate the frequency of regular reports provided to clients. State whether these reports are written.*

The firm delivers written management reports quarterly:

- Portfolio performance results over the past quarter, past one-, three- and five-year periods, and from inception;
- Performance results for underlying investments for the same periods in isolation and compared to relevant benchmarks;
- End of quarter status regarding asset allocation — current allocation versus policy allocation; and
- Recommendations for changes to any of the above.

Additionally, the firm reviews the IPS, and revises as needed, annually.

#### Section XI. Client Referrals and Other Compensation

*A. If someone who is not a client provides an economic benefit to the firm for providing investment advice or other services to the firm's clients, generally describe the arrangement, explain the conflicts of interest, and describe how the firm addresses the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.*

Not applicable.

*B. If the firm or a related person directly or indirectly compensates any person who is not the firm's supervised person for client referrals, describe the arrangement and the compensation.*

Not applicable.

#### Section XII. Custody

*If the firm has custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to the firm's clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If the firm's clients also receive account statements from the firm, the explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from the firm.*

The firm does not retain custody of client funds, transferring all portfolio assets to a custodian for safekeeping and administration. Clients receive a series of account documents directly from the custodian to include the following:

- transaction confirmations, evidencing purchase and sale activity;
- mutual fund prospectus;
- monthly account statements;
- annual tax documents; and
- notification of account changes.

#### Section XIII. Investment Discretion

*If the firm accepts discretionary authority to manage securities on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures the firm follows before it assumes this authority (e.g., execution of a power of attorney).*

ête's Letter of Engagement (LOE) confers discretionary authority to execute securities transactions. The firm has the authority to determine, without obtaining specific client consent, security selections and purchase amounts. This authority is subject to certain limitations, namely the restrictions and prohibitions applied by the client with respect to transactions in certain industries or types of companies. The firm and the client concur upon these restrictions and document same in the IPS.

#### Section XIV. Voting Client Securities

*A. If the firm has, or will accept, authority to vote client securities, briefly describe the firm's voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) the firm's clients can direct its vote in a particular solicitation. Describe how the firm addresses conflicts of interest between the firm and its clients with respect to voting their securities. Describe how clients may obtain information from the firm about how it votes their securities. Explain to clients that they may obtain a copy of the firm's proxy voting policies and procedures upon request.*

The SEC requires that registered investment advisers who have the authority to vote proxies for their clients develop and adhere to a written set of policies and procedures regarding proxy votes. The SEC further requires voting advisers to:

- i. Provide copies of proxy-related policies and procedures to clients upon request;
- ii. Maintain a record of proxy voting and furnish information to clients on same.

Advisers with voting authority may only vote shares of individual companies held directly in client portfolios. Mutual fund managers vote shares held directly in the underlying funds.

Corporations routinely bring a range of complex issues to shareholder vote at annual meetings. être believes that the research necessary to cast an informed vote diverts resources from its core investment management role. Further, the firm's influence as a voter of shares would be immaterial relative to that of various institutional shareholders (e.g., pension plans), that dominate corporate ownership.

For these reasons, être does not accept proxy voting authority on behalf of its clients. The firm invites clients wishing to vote their own proxies to discuss voting matters with the firm. être provides a copy of its proxy voting policy to new clients and requests that clients acknowledge, in writing, their understanding and acceptance of the policy.

*B. If the firm does not have authority to vote client securities, disclose this fact. Indicate whether clients will receive proxies or other solicitations directly from the custodian or from the firm. Discuss how clients can contact the firm about a particular solicitation.*

Please refer to A. above. Additionally, clients requesting proxy statements will receive materials directly from the custodian.

#### Section XV. Financial Information

*A. If the firm requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for the firm's most recent fiscal year.*

Not applicable.

*B. If the firm has discretionary authority or custody or requires prepayment of more than \$1,200 in fees six months or more in advance, disclose any financial condition that could reasonably impair the firm's ability to meet client contractual commitments.*

Not applicable.

*C. Disclose whether the firm has been subject to a bankruptcy petition in the past decade, the petition date, and the current status.*

Not applicable.