

Item 1 - Cover Page

Prudent Street Financial Advisors, LLC

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March 24, 2023
Brochure

This brochure provides information about the qualifications and business practices of Prudent Street Financial Advisors, LLC ("Prudent Street"). If you have any questions about the contents of this brochure, please contact us at (615) 523-0660. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Prudent Street is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. Additional information about Prudent Street is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with Prudent Street who are registered, or are required to be registered, as investment adviser representatives of Prudent Street.

Item 2 - Summary of Material Changes

Registered Investment Advisers are required to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. This Summary of Material Changes reflecting any change to our policies, practices, or conflicts of interest must be provided. Since the filing of our annual updating amendment dated March 30, 2022, we have the following material changes to report:

Item 4, Advisory Business

The Department of Labor's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), which governs retirement account rollover recommendations, became effective July 1, 2022. The way Prudent Street earns money creates some conflicts with client interests, so Prudent Street operates under a special rule that requires us to act in a client's best interest, not our own. Prudent Street has added provisions to ensure its compliance with the new rule.

Item 15, Custody Change

Prudent Street previously maintained custody only to the extent it debited advisory fees from client accounts. Prudent Street is now also deemed to have custody due to the allowance for clients to establish written, third-party standing instructions. Because Prudent Street meets the seven criteria established under the SEC's "no-action" letter dated February 21, 2017, a surprise annual audit is not required.

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Item 4 - Advisory Business

General Information

Prudent Street Financial Advisors, LLC (hereinafter referred to as “Prudent Street”) was formed in 2012 and provides financial planning, portfolio management, insurance brokerage, employee benefit and general financial consulting services to its clients. At the outset of a client relationship Prudent Street works to understand a client’s objectives, financial circumstances, and prior experience. Information is obtained through dialogue with the client and the use of various assessment tools.

Clients may elect to retain Prudent Street to prepare an objectives-based, comprehensive financial plan. This report is presented to the client for consideration. In most cases, clients subsequently retain Prudent Street to provide long-term investment portfolio management services, as well as insurance products, when appropriate.

For both financial planning and investment advisory clients, Prudent Street typically develops 1) a “Client Profile” capturing the client’s financial circumstances, goals, and risk tolerance; and 2) an “Investment Plan” that outlines the client’s investment objectives and guidelines. The Client Profile and the Investment Plan are discussed regularly with each client.

When Prudent Street provides only limited financial planning or other financial consulting services, a summary of the project(s) will be prepared to the extent necessary or advisable under the circumstances.

Individual Financial Planning

Financial planning, one of the services provided by Prudent Street, may be provided as a stand-alone service or may be coupled with ongoing portfolio management. It may include advice that addresses one or more areas of a client's financial situation such as estate planning, risk management, budgeting, cash flow, retirement planning, education funding, and investment portfolio needs. Depending on a client’s particular situation, the financial planning process may include some or all the following:

- Gathering facts concerning the client's personal and financial situation
- Assisting the client in establishing financial goals and objectives
- Analyzing the client's present situation and anticipated future circumstances considering the client's financial objectives
- Identifying problems foreseen in the accomplishment of the client’s financial goals and objectives and offering alternative solutions
- Making recommendations to the client to help achieve retirement plan goals and objectives
- Designing an investment portfolio that best aligns with client objectives and risk profile
- Providing estate plan design guidance (does not include document drafting)
- Reviewing basic life, disability, and long-term care insurance needs
- Periodically reviewing client goals and objectives and measuring progress toward them

Once a financial plan is delivered, the client may choose to have Prudent Street implement the plan and manage their investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by Prudent Street and/or engage the services of Prudent Street or any other recommended professional.

Portfolio Management

As described above, at the beginning of a client relationship, Prudent Street gathers information from the client which is evaluated when developing the client’s Investment Plan. The Investment Plan will be updated as necessary based on changes in the client’s financial circumstances or changes in economic, political or market conditions.

Prudent Street manages client investment portfolios on a discretionary basis. As a discretionary investment adviser, Prudent Street has the authority to supervise and direct a client portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on Prudent Street in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of their portfolio. Each client should also note that his or her investment portfolio is treated individually by considering each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ. Clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients managed by Prudent Street.

Corporate Retirement Plans

Prudent Street advises the fiduciaries of corporate retirement plan sponsors with the selection and monitoring of plan investments. When delivering these investment fiduciary services, Prudent Street acts within the scope of either an ERISA 3(21) or 3(38) investment fiduciary.

Prudent Street advises clients to implement an Investment Policy Statement (IPS) to guide investment selection and monitoring of their plan's investments. The IPS's primary purpose is to guide a plan's investment-related decisions. When such policy already exists, Prudent Street evaluates the IPS with the client to insure its alignment with plan objectives, the most important of which is to serve the needs of plan participants and their beneficiaries. Plan fiduciaries are encouraged to review their IPS periodically.

In conjunction with its corporate retirement investment fiduciary services, Prudent Street may also assist a plan with certain administrative functions, including employee enrollment & education, plan provider benchmarking, design consulting, compliance assistance, and plan provider transition/conversion support. A plan's administrative operations are generally the responsibility of the plan sponsor/administrator, recordkeeper and third-party administrator.

Financial Consulting

In addition to the foregoing services, Prudent Street may provide other financial consulting services to clients. These services are provided on a project-by-project basis, and may include, without limitation, financial organization, asset transaction & re-finance analytics, cash flow planning for specified events, decision risk analysis, estate consultation, tax projections, insurance portfolio review, as well as other matters requested by a client and agreed to by Prudent Street. The scope and fees for "other" consulting services will be negotiated with each client at the time of engagement.

Rollover Recommendations

The DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") became effective July 1, 2022. When Prudent Street provides investment advice regarding a retirement plan account or individual retirement account, Prudent Street acts as 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. The way Prudent Street earns money creates some conflicts with client interests, so Prudent Street operates under a special rule that requires us to act in a client's best interest, not our own. Under the rule's provisions, Prudent Street must:

- i) meet a professional standard of care when making investment recommendations (give prudent advice);
- ii) never place Prudent Street's financial interests ahead of a client's when making recommendations (give loyal advice);
- iii) avoid misleading statements about conflicts of interest, fees, and investments;
- iv) follow policies and procedures designed to ensure that Prudent Street gives advice that is in a client's best interest;
- v) charge no more than is reasonable for Prudent Street's services; and,
- vi) give clients basic information about conflicts of interest.

Prudent Street benefits financially from the rollover of assets from a retirement account to an account that Prudent Street manages or provides investment advice, because the assets increase Prudent Street's assets under management and, in turn, its advisory fees. As a fiduciary, Prudent Street only recommends a rollover when it is in a client's best interest. This Summary and Prudent Street's Client Relationship Summary (Form CRS) are provided at least annually to all clients within 120 days of our fiscal year-end. Prudent Street's last annual update was filed on March 30, 2022. An other-than-annual-amendment was filed on October 31, 2022.

Principal Owners

David L. Richardson is sole owner of Prudent Street.

Type and Value of Assets Currently Managed

As of December 31, 2022, Prudent Street managed \$141,532,550 on a discretionary basis, and \$116,251,725 on a non-discretionary basis.

Item 5 - Fees and Compensation

General Fee Information

Fees paid to Prudent Street are exclusive of costs paid to the client's custodian, brokers, or other third-party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to Prudent Street are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools. The client should review all fees charged by funds, brokers, Prudent Street, and others to understand total fees paid for investment and financial-related services.

Financial Planning Fees

When Prudent Street provides stand-alone financial planning services, related fees are negotiated at the time of the engagement based on the scope of work to be performed for the client. Either a fixed fee or an hourly rate is typically charged.

Investment Advisory Fees

Prudent Street's investment advisory fees are based on a percentage of assets. The annual fee schedule is as follows:

First \$1 million	1.00%
Next \$3 million	0.75%
Above \$4 million	0.40%

Prudent Street manages portfolios for clients whose assets exceed \$500,000, translating to a minimum annual fee of \$5,000. Prudent Street may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements when deemed appropriate under the circumstances.

Investment advisory fees are payable quarterly in advance. Fees are prorated for cash flows, meaning that if portfolio management begins after the start of a quarter, fees will be prorated accordingly. Advisory fees are debited directly from client accounts.

Either Prudent Street or the client may terminate their Investment Advisory Agreement at any time, subject to contractual written notice requirements. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Prudent Street from the client will be invoiced (or) deducted from the client's account prior to termination.

ERISA Investment Advisory Fees

The fee for corporate retirement advisory services is based on a percentage of assets. The annual fee schedule is as follows:

First \$5 million	\$12,500
Next \$15 million	.25%
Next \$10 million	.16%
Next \$10 million	.10%
Next \$10 million	.04%
Above \$50 million	Custom Pricing

Prudent Street may, at its discretion, make exceptions to the foregoing fee schedule, negotiating special fee arrangements when deemed appropriate under the circumstances. Investment advisory fees are payable quarterly in advance. ERISA investment advisory fees billed directly to plan sponsors are payable quarterly in arrears. ERISA investment advisory fees debited by trustees from plan trusts are deducted quarterly in arrears. Fees are prorated for cash flows, meaning if investment advisory services begin after the start of a quarter, fees will be prorated accordingly. Prudent Street or the client may terminate their ERISA Investment Advisory Agreement at any time, subject to contractual written notice requirements.

Separate Account Manager (SAM) Fees

When a SAM is engaged, the SAM fees will be separate from, and in addition to, Prudent Street's fee.

Other Financial Consulting Fees

Fees for other financial consulting services are per engagement and are on an hourly or fixed fee basis. These services are separate from Prudent Street's financial planning and portfolio management services.

Other Compensation

Prudent Street Financial Advisors, LLC is a licensed insurance agency in Tennessee. In providing financial planning and other related advisory services, Prudent Street representatives may recommend the purchase of products under circumstances where a commission or other compensation may be received.

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

Prudent Street does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Prudent Street has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

Prudent Street primarily serves individuals, pension and profit-sharing plans, corporations, trusts, and estates.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In accordance with the Investment Plan, Prudent Street invests in mutual funds, ETFs, individual stocks, and individual bonds. Prudent Street may also invest in REITs, managed futures, investment partnerships, hedge funds, private equity and fixed income funds, separate account managers (SAM), and other instruments deemed appropriate to meet client objectives. The various investment types are evaluated and selected as follows:

Mutual Funds and ETFs. These investments are used to diversify exposure in both the equities and fixed income markets using passive (index) and active management approaches. Evaluative criteria include management's stated objectives, adherence to stated objectives, performance (return/risk) history, position concentration, portfolio turnover, management stewardship, fee structure and other relevant factors.

Individual Stocks/Equities. These investments are used to strategically grow capital, generate dividend income, and target specific market/industry sectors – Evaluative criteria include financial strength, relevant financial metrics, market opportunity, analyst recommendations, share price, price volatility, and other relevant factors.

Individual Fixed Income/Bonds. These investments are used strategically to fulfill liquidity or income needs or to add a component of capital preservation to a portfolio. Evaluative criteria include credit quality, yield, duration, call provisions, conversion privileges and other relevant factors.

REITs, BDCs, Hedge Funds, Private Equity & Investment Partnerships. These financial assets do not fall into one of the conventional investment categories. Conventional categories include stocks, bonds, and cash. They often have low liquidity and are used strategically to generate stable income streams and/or reduce the volatility of a portfolio. Evaluative criteria include asset class, investment objective/style, returns, expected volatility, expected term (longevity), liquidity terms, fund size, fees, and other relevant factors.

Separate Account Managers (SAMs). These are pools of assets managed by professional investment firms, typically targeted toward affluent retail investors. Evaluative criteria include investment style, performance history, fee structure, manager experience and other relevant factors.

Investment Strategies

Prudent Street invests each portfolio in accordance with an Investment Plan that has been developed specifically for the client. This means that the following strategies may be used in varying combinations over time, depending upon a client's individual circumstances.

Long-term Purchases. Securities purchased with the expectation that the value of those securities will grow over an extended period, generally greater than one year.

Short-term Purchases. Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year.

Options Trading/Writing. A securities transaction that involves buying or selling an option. An option seller ("writer") is obligated to purchase or deliver a specified number of shares at a specified price upon exercise by the buyer. The seller is obligated to transact through the option expiration date unless the contract position is "closed" prior to expiration. An option buyer purchases the right to buy or sell a specified number of shares at a specified price until the option expiration date. The buyer retains this right unless the contract position is "closed" prior to expiration.

Risk of Loss

Prudent Street seeks to diversify an investment portfolio across various asset classes consistent with a client's Investment Plan to reduce risk of loss. All investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While Prudent Street manages client investment portfolios based on Prudent Street's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Prudent Street allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Prudent Street's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs, and Other Investment Pools. As described above, Prudent Street may invest client portfolios in mutual funds, ETFs, and other investment pools ("pooled investment funds"). Investments in pooled investment funds are less risky than investing in individual securities because of their

diversification; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skill of the manager(s) and their performance in managing the funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Risks Related to Alternative Investment Vehicles. From time to time and as appropriate, Prudent Street may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicle managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

Equity Risks. Prudent Street may invest client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. Risks associated with investment into a single stock include, without limitation, industry risk, management risk and event risk. And while pooled investments are diversified portfolios that may make them less risky than investments in individual stock securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. Market risk is the possibility that 1) stock values will decline due to daily fluctuations in the markets and/or that 2) stock values will decline over longer periods (e.g., bear markets) due to general economic market conditions, regardless of any individual security's prospects.

Fixed Income Risks. Prudent Street may invest client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is typically less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risk that changes in interest rates will devalue the investments), credit risk (risk of default by borrowers), and maturity risk (risk that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. Prudent Street may invest client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from domestic (U.S.) investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices, or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the U.S. dollar's value relative to the security's underlying foreign currency.

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 a client's evaluation of Prudent Street or the integrity of Prudent Street's management. Prudent Street has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

Separate Account Manager (SAM)

When appropriate and in accordance with a Client's Investment Plan, Prudent Street may utilize one or more SAMs. Having access to various SAMs offers a wide variety of manager styles. Further, more than one SAM may be utilized, if necessary, to meet the needs and investment objectives of a client.

Factors that Prudent Street considers in recommending/selecting a SAM include a client's investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research. With respect to assets managed by a SAM, Prudent Street monitors the overall financial situation of the client, the investment approach and performance of the SAM, and assists the client with understanding portfolio investments.

SAMs are granted discretionary trading authority over client assets for which they have been deemed responsible. Prudent Street's discretionary management relationship with its clients allows for the termination or addition of a SAM without specific client consent. In select cases, a client will actively select one or more SAMs recommended by Prudent Street.

A SAM may impose more restrictive account requirements and different billing practices than Prudent Street. In such instances, Prudent Street may be required to alter its corresponding account requirements and/or billing practices to accommodate those of the SAM. In all cases Prudent Street will clearly disclose related fees to the client.

Prudent Street is a Licensed Insurance Agency

As previously disclosed, Prudent Street Financial Advisors, LLC is a licensed insurance agency in Tennessee. Certain Prudent Street employees are also licensed insurance agents appointed with various insurance companies. Insurance sales may result in a commission or other remuneration being paid to the firm and/or its representatives, a fact which is disclosed to the client prior to the execution of such transaction.

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

Code of Ethics and Personal Trading

Prudent Street has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. The Code has several goals.

First, the Code is designed to assist Prudent Street in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Prudent Street owes fiduciary duties to its clients. Pursuant to these duties, the Code requires Prudent Street associated persons to act with honesty, good faith, and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Second, the Code sets forth professional standards guidelines for all Prudent Street's associated persons. Under the Code's Professional Standards, Prudent Street expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Prudent Street associated persons are not to take advantage of their positions in relation to Prudent Street clients.

Finally, the Code outlines procedures designed to reduce or eliminate trading-related conflicts of interest. Prudent Street's associated persons may invest in the same securities recommended to clients. The Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. It also places limitations on personal securities transactions of associated persons, as well as the pre-clearance of certain types of personal trading activities. Prudent Street's policies are designed to discourage and prohibit personal trading that would disadvantage clients, subjecting associated persons to potential disciplinary action for violations.

Participation or Interest in Client Transactions

As outlined above, Prudent Street has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Prudent Street's goal is to place client interests first.

Consistent with the foregoing, Prudent Street maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client

transactions. If a Prudent Street associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Item 12 - Brokerage Practices

Directed Brokerage

A client directs Prudent Street to utilize, whenever possible, the custodian that holds their portfolio assets as the broker-dealer for all portfolio securities transactions. A client acknowledges that directing Prudent Street to utilize, whenever possible, a particular broker-dealer for portfolio securities transactions could result in certain costs or disadvantages, such as higher client commissions, less favorable execution, or the limited availability of investment options.

A client authorizes Prudent Street to issue instructions to their custodian as deemed appropriate in connection with the settlement of transactions and transfer of assets. A client contractually represents and warrants that their custodian has agreed and will continue to accept responsibility for the prompt delivery of cash or securities to settle security transactions that Prudent Street effects on the client's behalf.

Charles Schwab & Co.

Prudent Street seeks "best execution" for client trades, which is a combination of several factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Prudent Street may recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received may include proprietary or third-party research (or any combination) and may be used in servicing any or all Prudent Street clients, meaning research services received may not relate to an account(s) for which a particular transaction was executed.

Prudent Street may recommend that a client custody their assets with Schwab Advisor Services. Schwab Advisor Services is a division of Charles Schwab & Co., Inc., (Schwab), a FINRA registered broker-dealer, member SIPC. While Prudent Street may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. Prudent Street is independently owned and operated and is not affiliated with Schwab.

The arrangement that Prudent Street has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of an alternative service provider may result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

Schwab provides Prudent Street with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are available to independent investment advisors on an unsolicited basis at no charge so long as Prudent Street maintains a pre-established minimum amount of client assets in accounts at Schwab Advisor Services. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab's 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 initial investment. Schwab does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab's products and services that assist Prudent Street in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client

accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Prudent Street's fees from client accounts; and (v) assist with back-office functions, such as recordkeeping and client reporting. Schwab Advisor Services also offers other services intended to help Prudent Street manage and further develop its business enterprise. These services may include compliance, legal and business consulting, as well as publications and conferences on practice management and business succession.

Schwab may make available, arrange and/or pay third-party vendors for services rendered to Prudent Street. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Prudent Street. Schwab Advisor Services may also provide other benefits such as educational events, sometimes in combination with business entertainment, for Prudent Street personnel. In evaluating whether to recommend that a client custody their assets at Schwab, Prudent Street may consider the availability of some of the foregoing products and services as part of the total mix of factors it considers.

Directed Brokerage & ERISA

By directing Prudent Street to use a specific broker or dealer, clients who are subject to ERISA confirm that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

Prudent Street may combine individual client trades into a single "aggregated trade" at a given custodian when advantageous to clients whose accounts have a need to buy or sell shares of the same security. Aggregated trades allow Prudent Street to execute trades in a timelier, equitable manner, and may reduce clients' overall transaction costs. An account may be excluded from an aggregated trade order due to client allocation constraints, tax considerations, client direction or other factors that make it ineligible or impractical.

Prudent Street only aggregates transactions when consistent with its duty to seek best execution. The firm may not always aggregate client transactions as accounts are managed on an individual basis. Prudent makes a good faith effort to ensure that no advisory client is favored over any other client. Each client that participates in an aggregated order of a security will participate at the average share price in that security for a given transaction or combination of transactions. Rapidly changing market conditions and individual client portfolio limitations, as well as industry, market and operational considerations may limit Prudent Street's ability to provide the same average unit price across all clients transacted in a security on a given day.

Aggregated trade transaction fees are shared equally and on a pro-rata basis between all client accounts included in a trade. On occasion, because of the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker and, therefore, transaction charges may vary slightly among accounts. Prudent Street receives no additional compensation or remuneration when aggregating trades.

Cross Trades

Prudent Street may arrange a "cross trade" of securities between client accounts. A cross trade is a transaction whereby one client account purchases a security(ies) directly from another client account. Cross trades are arranged by Prudent Street when the transaction is believed to serve the best interest of the clients, that no client will be disfavored by the transaction, and that the transaction receives best execution.

Relative to a cross trade, Prudent Street will seek to obtain a price for the security from one or more independent sources. Prudent Street is not a broker-dealer and receives no compensation from a cross trade. However, the broker-dealer facilitating the cross trade normally charges administrative fees to the clients' accounts.

Item 13 - Review of Accounts

Prudent Street typically reviews managed portfolios with clients at least annually, but may hold a review more frequently if 1) requested by a client, 2) Prudent Street receives updated, material client information (e.g., marriage, divorce, retirement) or 3) there are significant changes in economic, political or market conditions. Reviews typically include a report detailing account inflows/outflows and performance results, as well as an asset allocation summary. Additional reports are available at the request of the client.

For those clients to whom Prudent Street provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed-upon basis.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions, transactional activity, pricing, and fees paid in each account. Account custodians also provide prompt confirmation of trades and year-end tax statements.

Item 14 - Client Referrals and Other Compensation

As discussed in ***Item 12 - Brokerage Practices***, Prudent Street may receive some benefits from an account custodian, such as Schwab, based on the amount of client assets held there. No account custodian, Schwab or otherwise, is paid to refer clients to Prudent Street. Further, Prudent Street does not pay individuals or companies for the referral of clients.

Item 15 - Custody

All checks for investment purposes are made payable to the custodian or to the account registration. Prudent Street will at no time receive, retain, or physically control any cash, checks, securities, or other assets in Client portfolios.

Prudent Street maintains custody of clients' funds or securities to the extent the firm can debit advisory fees from client accounts. Prudent Street is also deemed to have custody due to the allowance for clients to establish Standing Letters of Authorization (SLOA) for asset transfers within or among client accounts, as well as to third parties. As long as the client has provided Prudent Street with written authorization to do so, Prudent Street representatives may effect asset transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction. A representative with authority to conduct such third-party wire transfers has access to client assets, and therefore has custody of any related accounts.

Though Prudent Street permits SLOAs, the firm is not required to obtain a surprise annual audit, as outlined in the SEC's February 2017 "no-action" letter, as would otherwise be required by reason of having custody, because the following criteria are met:

1. Clients provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. Clients authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Clients qualified custodians verify the client's authorization (e.g., signature review) and provides a transfer of funds notice to the client promptly after each transfer;
4. Clients can terminate or change the instructions;
5. Prudent Street has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. Prudent Street maintains records showing that the third party is not a related party to us nor located at the same address as us; and
7. The qualified custodian sends client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Clients receive normal and customary account statements from the broker dealer, bank, or other qualified custodian that holds and maintains the client's investment assets. Prudent Street urges its clients to carefully review such statements and to compare such official custodial records to the performance reports Prudent Street provides. At times there may be small differences due to the timing of dividend reporting, pending trades, etc. Clients are asked to promptly notify Prudent Street if their custodian fails to provide statements for each account held.

Item 16 - Investment Discretion

As described above under ***Item 4 - Advisory Business***, Prudent Street manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client, Prudent Street will execute the plan without specific consent from the client for each transaction. A Limited Power of Attorney (LPOA) is executed by the client (for discretionary accounts) and authorizes Prudent Street to execute trades in the client's portfolio using its discretionary authority. The LPOA may also give Prudent Street the authority to carry out account activities such as the ability to request checks or electronic transfers to/from other financial accounts on behalf of the client and the ability to withdraw advisory fees directly from a client account. The client may limit the terms of the LPOA to the extent consistent with the Prudent Street Investment Advisory Agreement and the requirements of the account custodian.

ERISA investment advisory services are usually non-discretionary, except for defined benefit plans and closely held businesses, both of which may request or require discretionary management.

Item 17 - Voting Client Securities

As a policy and in accordance with Prudent Street's client agreement, Prudent Street does not vote proxies related to securities held in client accounts. As a result, the custodian of the account will normally provide proxy materials directly to the client. Clients may contact Prudent Street with questions relating to proxy procedures and proposals; however, Prudent Street generally does not research proxy proposals.

Item 18 - Financial Information

Prudent Street's financial condition is not reasonably likely to impair its ability to meet its contractual commitments to Clients. Prudent Street has never been the subject of a bankruptcy proceeding. Prudent Street does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.