



# FIDELIS iM

## Client Brochure

Form ADV Part 2

March 2023

*This brochure provides information about the qualification and business practices of FIDELIS iM, LLC. If you have any questions about the contents of this brochure, please contact us at (541) 770-1311, or by email: [contactus@fidelisim.com](mailto:contactus@fidelisim.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration does not imply a certain level of skill or training.*

*FIDELIS iM, LLC is a Registered Investment Advisor with the Securities and Exchange Commission. Additional information about FIDELIS iM, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

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# Material Changes

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## **Annual Update**

FIDELIS iM is providing this information as part of our annual update. This section only discusses material changes since the last update, dated March 2022.

## **Material Changes Since the Last Update**

1. Increase minimum account size.

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# Advisory Business

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## Firm Description

FIDELIS iM, LLC (“FIDELIS iM,” “we,” “our”, or “us”) is an Oregon based Registered Investment Advisor (RIA) providing investment management and retirement planning services for individuals and retirement plans. The company was founded in 2012 with the common goal of building a dynamic, client focused environment designed to foster long-term relationships based on high moral principles and equality. The company’s principals have over 50 years of experience in the investment management industry.

FIDELIS iM is a privately owned Oregon limited liability company, headquartered in Medford, OR. We manage internally developed investment models utilizing low-cost exchange traded funds and/or index funds and have numerous investment strategies to meet the needs of our individual clients. Please see *Methods of Analysis and Investment Strategies* for information on our investment portfolios. In addition, we manage company defined contribution and defined benefit plans (401k, 403b, cash balance), with a well-defined focus on helping plan sponsors meet their compliance obligations while providing low cost, professionally managed portfolios to participants.

At FIDELIS iM, our mission is to remain faithful to our clients and to the relationships that shape our core. We make decisions based on a professional fiduciary responsibility to our clients, utilizing sensible investment strategies. Through clarity and objectivity, peace of mind is achieved and relationships flourish. Thank you for reading more about our firm.

## Principal Owners

The principal owners are Keegan Denn, CFP®, and Tracy Richards.

## Types of Advisory Services

We provide our clients with investment management, financial planning, and retirement planning services, managing accounts on a discretionary basis. This means our clients give us the authority to buy and sell securities for their accounts (“discretionary authority”). We do not provide services on a non-discretionary basis. FIDELIS iM has the ongoing responsibility to manage our client accounts, based upon the objectives of the client.

FIDELIS iM specializes in managing low-cost, well-balanced, and globally diversified portfolios. We use exchange traded funds (ETFs) and index mutual funds representing a broad selection of asset classes. ETFs and index funds seek to achieve the same return as a particular market index or asset class.

We manage client accounts according to the investment strategy identified as a prudent portfolio for our client. We make investment decisions for client accounts based on the information clients supply about their general financial situation, goals, risk tolerance, and return objectives. Our recommendations may be limited if a client does not provide us with accurate and complete information or fails to keep us informed of any changes to the client’s investment objectives, general financial situation, or restrictions. FIDELIS iM may offer investment advice on any investment held by the client at the start of the advisory relationship. We may also occasionally offer advice regarding additional types of investments, if appropriate, to address the individual needs, goals, and objectives of the client or in response to client inquiry. We outline the material investment risks for types of securities that we recommend under the heading *Specific Security Risks* in *Risk of Loss Considerations* below. The investment management strategies offered by FIDELIS iM are formulated and supervised by our investment committee (“Committee”). The Committee consists of Keegan Denn, CFP® and Tracy Richards. The Committee is responsible for developing and monitoring all of our investment strategies. We describe the fees charged for investment management services below under *Fees and Compensation*.

In offering investment management, financial planning, and retirement planning services, the following limitations apply:

1. Limitation on Equities – FIDELIS iM does not normally invest in individual equity securities, except for exchange traded funds (ETFs) which trade during the day like individual securities. We will transact in individual equities when selling existing holdings of new client accounts. We typically do not conduct individual fixed income securities transactions except when liquidating existing positions in new client accounts or for cash management purposes. Occasionally, there may be a case where individual securities transferred into a FIDELIS iM managed account are held due to a cost prohibitive tax situation or other client request.
2. Limitations on Mutual Funds - FIDELIS iM generally limits recommendations of open-end mutual funds to no-load index funds.
3. Limitation by Custodian - All clients establish accounts with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade Trust Company (TD), or Broadridge/Matrix Financial.
4. Limitation by Client - Clients may also request restrictions on their accounts. FIDELIS iM reserves the right to not accept and/or to terminate management of a client account if we feel that the client imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.
5. FIDELIS iM does not participate in a wrap fee program.

In addition to investment management, financial planning, and retirement planning services, FIDELIS iM may conduct educational workshops/seminars free of charge.

## Client Assets

As of 12/31/2022, discretionary assets under management were \$183,305,940.

# Fees and Compensation

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## Description

For our investment management, financial planning, and retirement planning services, we charge fees based on a percentage of the client's total assets under management, according to the following fee schedule:

### Assets Under Management Annual Fee Rate

First \$1 Million 1.00%

Over \$1 Million 0.75%

A minimum annual fee of \$2000 applies to qualified plans, SIMPLE IRAs, and SEP IRAs. Fees may be negotiated if deemed necessary.

## Fee Billing

Our investment management and financial planning fees are charged and payable quarterly in arrears. The fee is based on the monthly closing average value of the assets under management for each "Client Relationship" during the quarter. The formula used for the calculation is as follows: *(Monthly Ending Average Value of Assets Under Management During The Quarter) x (Annual Fee Rate/4)*. For ERISA accounts (retirement planning), the management fee is based on the quarter end closing value of assets under management. We will aggregate client accounts that have family or business relationships with each other for purposes of calculating the investment management fees. For purposes of calculating fees, a "Client Relationship" means an individual and: (a) his or her spouse or domestic partner; (b) his or her

minor children; (c) a business or non-profit entity over which the individual and/or other person defined in (a) above exercises exclusive control; and (d) trust as to which the individual and/or other person defined in (a) above is the sole trustee. FIDELIS iM reserves the right to limit this Client Relationship account aggregation policy where the circumstances, in our sole discretion, warrant. For new and terminating client accounts, the investment management fee payment is a prorated calculation. The calculation is based on the actual number of days assets were in a clients' account during the calendar quarter.

For investment management fee calculation purposes, a calendar quarter is a period beginning on the first day of the month during a new calendar quarter (January, April, July, and October) and ending on the last day of the month of a calendar quarter (March, June, September, and December). A day is any calendar day including weekends and holidays. We will automatically withdraw our investment management fee from each client's account unless the client wishes to be billed directly. The custodian withdraws investment management fees from the client's account based on our instruction. The custodial statement will show the deduction of the investment management fee withdrawn directly from their account. We do not require or accept investment management fees in advance.

In the event that a client wishes to be billed directly for investment management services, FIDELIS iM will mail the invoice via U.S. Postal service to the address of record or send via email. The quarterly invoice is due upon receipt.

Either the client or FIDELIS iM may terminate the Investment Management Agreement upon written notice to the other party. If the Investment Management Agreement is terminated, the current investment management fee will be pro-rated to the written notice date. FIDELIS iM will not liquidate any securities in the client's account. All securities in the client's account on the date of written notice will remain in the client's account at the custodian. A client can contact the custodian directly and self-manage their account. In the event of a client's death or disability, we will continue management of the account until an authorized party notifies us of client's death or disability and provides alternate instructions.

## **Other Fees**

Our investment management fees do not include custodial fees. Clients pay all brokerage fees (transaction fees), and/or other similar charges incurred in connection with transactions from the assets in the account. Custodial fees may also apply to certain accounts. In addition, any mutual fund shares and/or ETFs held in a client's account may be subject to fund-related fees and expenses that are described in the prospectus of the mutual fund or ETF. All fees paid to FIDELIS iM for investment management services are separate and distinct from the fees and expenses charged by mutual funds and ETFs. *Please refer to the section Brokerage Practices for more information.*

Lower fees for comparable services may be available from other sources.

# **Performance-Based Fees & Side-by-Side Management**

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## **Sharing of Capital Gains or Capital Appreciation**

FIDELIS iM does not accept performance-based fee accounts (e.g., fees based on a share of capital gains or capital appreciation of assets in a client's account).

# Types of Clients

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## Description

FIDELIS iM offers discretionary investment management services to individuals, trusts, estates, endowments, institutions, and retirement plans.

## Account Minimums

We suggest an initial minimum account size of \$500,000. FIDELIS iM reserves the right to waive the minimum account size or impose a higher minimum account size for certain investment strategies. For defined contribution and defined benefit plans, the initial minimum suggested account size is \$2,000,000.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis & Investment Strategies

### Methods of Analysis

#### *Active VS. Passive Management:*

*Active management is the attempt of a portfolio manager to pick securities for a portfolio that will consistently provide above market returns. Passive management does not rely on the skill/luck of the portfolio manager consistently making the right buy or sell decision. Instead, it allocates assets based upon long-term historical data delineating probable asset class risks and returns, while applying periodic rebalancing. Passive investing often involves an indexing methodology, whereby the underlying investments are made up of ETFs and/or index mutual funds that track a specific market index such as the Dow Jones Industrial or S&P 500. Passive investing typically results in lower turnover, lower transaction costs, and advantageous tax considerations.*

*Academic research suggests that asset class selection is the prime determinant of overall investment behavior. Further research indicates that a passively managed approach to investment management can reduce volatility over time and lead to decreased investor fees. Research supporting passive management comes from the nation's universities and privately funded research centers, not from Wall Street firms, large banks, insurance companies, or active managers; groups with a vested interest in the huge profits available from active management. Academic research has provided estimates of risk, defined as volatility, and mean returns. These findings provide our best approximation of future risk and return for any given asset class or mix of asset classes, and clearly show that there are no high return, low risk asset classes. Nevertheless, Wall Street continually introduces and promotes new and appealing alternatives supposedly immune to this solidly proven principle.*

At FIDELIS iM we pursue a strategic asset allocation methodology focused on maximizing return while mitigating portfolio risk. There are no low-risk/high-return investments. Investment risk comes in many forms but to most investors risk means the potential for losing investment capital and the duration or permanency of that loss. Through analyzing the best available long-term data, we apply the aforementioned academic theory to build globally diversified, optimized portfolios. It is our belief that a



well-designed, passive investment approach that utilizes ETFs and/or index funds has the highest probability of meeting your financial goals and is the most prudent choice for your money.

As a fiduciary advisor, we believe that our role is to determine the most appropriate investment portfolio based on our clients' investment horizon, risk tolerance, growth expectations, and retirement needs. Once the appropriate investment strategy is determined, our focus is to help clients adhere to their defined goals, regardless of what the market and economy is doing. Changes in investment strategy come as a result of changes in the client's financial position, not by external factors.

Defined contribution plans are typically managed utilizing target date funds and/or lifestyle funds (risk-based portfolios) wherein each plan participant is afforded the opportunity to invest in a professionally managed portfolio while maintaining a low-cost structure resulting in greater growth potential over time. Similar to the methodology utilized to create the model portfolios for our individual investors, the defined contribution options reflect our belief in index based, passive investment management. Defined benefit plans are managed in a single portfolio strategy.

### Investment Strategies

We offer several different model investment strategies designed to meet the needs of our clients. Given the clients' investment horizon, risk tolerance, and financial goals, a prudent investment strategy is determined.

We utilize Morningstar portfolio management tools to research, create, analyze, and implement our optimized asset allocation strategies.

## **Risk of Loss**

Investing involves a risk of loss that the investors should be prepared to bear. Prior to entering into an Investment Management Agreement with FIDELIS iM, each client should carefully consider that securities markets experience varying degrees of volatility. Clients must also recognize that over time, the client's assets may fluctuate and at any time be worth more or less than the amount invested. There can be no guarantee that an asset allocation strategy will meet its investment objectives or that it will not suffer losses.

We use ETFs and/or index mutual funds exclusively for our separately managed accounts. Relative to actively managed funds, ETFs and index mutual funds have better tax scenarios, give pure market access to global markets and asset classes, and are significantly less expensive overall.

## **Risk of Loss Considerations**

### General Risks of Owning Securities

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds and ETFs in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income. For additional risk information, please see appropriate mutual fund and ETF prospectuses.

## **Specific Risks of Securities**

### Exchange-Traded Funds (ETFs)

An ETF is a type of investment company (usually, an open-end fund or unit investment trust) containing a basket of stocks or bonds that usually tracks a specific index or sector. An ETF is similar to an index fund

in that it will primarily invest in securities of companies that are included in a selected market index or that fall into a particular sector. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock and bond mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track specific sectors. An investment in an ETF could lose money over short or even long periods. You should expect the ETFs share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market.

#### Mutual Funds (Open-End Investment Company)

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes. An investment in a mutual fund could lose money over short or even long periods. You should expect the fund's share price and total return to fluctuate within a wide range, like the fluctuations of the overall stock market.

### **Different Types of Funds**

When it comes to investing in mutual funds and ETFs, investors have thousands of choices. Most mutual funds and ETFs fall into one of three main categories: money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

#### **Bond Funds**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards. Some of the risks associated with bond funds include:

##### Credit Risk

Credit risk refers to the risk that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds and exchange-traded funds (ETFs) that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

##### Interest Rate Risk

Interest rate risk refers to the risk that the market value of bonds will go down when interest rates go up. Because of this risk, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

##### Prepayment Risk

Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to "retire" its debt and issue new bonds that pay a lower rate. When this happens, the bond fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

#### **Stock Funds**

A stock fund's value can rise and fall quickly (and dramatically) over short or even long periods. You should expect a fund's share price and total return to fluctuate within a wide range. Overall "stock market

risk” poses the greatest potential danger for investors in stock funds. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Stock prices can fluctuate for a broad range of reasons—such as the overall state of the economy or demand for particular products or services. Not all stock funds are the same. For example:

#### Small Cap Funds

Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have higher risk of failure and are not as established as larger companies are. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.

#### International Funds

Funds that invest in foreign securities involve special additional risks. International investments are subject to stock market risk as well as additional risks, including currency fluctuation, political instability, country/regional risk, and potential illiquid markets.

#### Real Estate Investment Trust (REIT) Funds

REIT Funds include REITs within the underlying fund holdings. REITs primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development, and/or long-term mortgage loans. REIT investments include liquidity and interest rate risk.

The aforementioned examples do not represent the complete list of asset classes utilized in the model portfolios managed by FIDELIS iM.

## Disciplinary Information

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### **Legal and Disciplinary**

There is no disciplinary action to report.

## Other Financial Industry Activities and Affiliations

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We do not have any relationships or arrangements with broker-dealers, mutual funds, other investment advisers, or entities that create any material conflict of interest for us in rendering investment management services to our clients. As noted below under “Client Referrals and Other Compensation,” we may periodically recommend that a client consult an unaffiliated individual or firm for specific professional services such as estate planning, insurance, legal services, or accounting related work. We do not receive compensation or other monetary benefit for making such referrals. It is possible that such individual or firm may refer clients to us, but we pay no compensation for such referrals.

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

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## Code of Ethics

FIDELIS iM has adopted a Code of Ethics that covers personal securities transactions by its employees and associated persons. The Code of Ethics also describes standards of business conduct, compliance with state and federal securities laws, and FIDELIS iM's fiduciary duty to its clients.

A copy of our Code of Ethics is available, free of charge, to any client or prospective client upon request by calling the number on the cover page of this brochure.

While FIDELIS iM believes that the individual investment activities of its employees and associated persons should be encouraged, it seeks to avoid conflicts of interest (or even the appearance of conflicts) surrounding the advisory services it provides to its clients and the personal investments of its employees and associated persons. Pursuant to the Code of Ethics, certain restrictions apply to the investment activities of persons associated with FIDELIS iM. In general, in any situation where the potential for a conflict exists, transactions for clients must take precedence over personal transactions of such employees or associated persons. Should any situation arise which is not specifically governed by the Code of Ethics, the general intent shall govern the resolution of the matter.

## Personal Trading Policies

FIDELIS iM and our personnel may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for a client account. FIDELIS iM and our personnel may purchase or sell securities for themselves that we also recommend to clients. In order to avoid potential conflicts of interest with clients, we require all investment personnel to obtain approval by our Chief Compliance Officer ("CCO") before trading in any security. If our CCO is not available, approval may be obtained from our President.

In order to avoid potential conflicts of interest with securities transactions in client accounts, FIDELIS iM and our personnel are subject to a pre-clearance policy that seeks to make personal trading consistent with our fiduciary duty to clients. However, FIDELIS iM and our personnel are not required to pre-clear transactions in open-end investment companies (mutual funds) that would not adversely affect client interests. ETFs are not required to be pre-cleared prior to investment personnel buy or sell transactions.

# Brokerage Practices

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## Selecting Brokerage Firms

FIDELIS iM generally requires that clients open one or more accounts in their own names at Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"). The client will enter into a separate agreement with Schwab to custody the assets. FIDELIS iM is independently owned and operated, and unaffiliated with Schwab.

Schwab may charge brokerage fees (transaction fees) for executing securities transactions. We do not receive any part of these separate charges. Schwab may provide us with access to their institutional

trading and custody services platform, which is typically not available to retail investors. Schwab's services include brokerage 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.

We consider several factors in recommending Schwab to clients, such as ease of use, reputation, service execution, pricing, and financial strength. FIDELIS iM may also take into consideration the availability of the products and services received or offered (detailed below).

TD Ameritrade and Broadridge/Matrix are only used for qualified plans. However, custodial arrangements are handled on a case-by-case basis, taking into consideration the needs of each client. Additional custodial arrangements may be added as necessary.

## **Research and Soft Dollars**

Schwab, TD Ameritrade, and Broadridge/Matrix make available to us other products and services that may benefit FIDELIS iM but may not directly benefit our clients' accounts. These types of services will help us in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from client accounts; and assist with back-office functions, record keeping, and client reporting. Many of these services may be used to service all or a substantial number of our client accounts. We place trades for our clients' accounts subject to our duty to seek best execution and other fiduciary duties.

Schwab, TD Ameritrade, and Broadridge/Matrix may also provide us with other benefits and services such as client appreciation and educational events, and conferences on regulatory compliance, information technology, and business enterprise development. Schwab, TD Ameritrade, and Broadridge/Matrix may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to FIDELIS iM. These benefits and services are not a material consideration for us in requiring clients to use Schwab, TD Ameritrade, or Broadridge/Matrix as a custodian, nor do they result in any material conflicts of interest between us and clients'. As part of our fiduciary duty to clients, FIDELIS iM endeavors at all times to put the interests of our clients first.

## **Directed Brokerage**

We do not allow clients to direct us to use a specific broker-dealer to execute transactions. Clients must use the broker-dealers that FIDELIS iM recommends. Not all investment managers or advisers require their clients to trade through specific brokerage firms. Since we require all of our clients to maintain their accounts with Schwab, TD Ameritrade, or Broadridge/Matrix, it is also important for clients to consider and compare the significant differences between having assets custodied at another broker-dealer, bank or other custodian prior to opening an account. Some of these differences include, but are not limited to; total account costs, trading flexibility, transaction fees, and security and technology services. By requiring clients to use Schwab, TD Ameritrade, or Broadridge/Matrix, FIDELIS iM believes we may be able to more effectively manage client accounts, achieve favorable execution of client transactions, and lower the overall costs to the client accounts. In seeking best execution through a broker-dealer on behalf of our clients, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. When taking into consideration qualitative execution, we consider the full range of broker-dealer services, such as: historical relationship, reputation, financial strength, execution capability, trading fees, and/or transaction rates, and responsiveness.

## **Order Aggregation**

Often times, FIDELIS iM will make a purchase or sale of the same security for multiple clients at the same time. In those cases, FIDELIS iM may combine buy and sell orders for all clients with the same security transaction order. These are sometimes referred to as "block" trades. Block trades are typically done in an effort to get better trade execution across multiple client accounts. FIDELIS iM will generally allocate the securities or proceeds arising out of those transactions on an average price basis among the various

participants involved in the transaction. We believe that combining orders in this way will be advantageous to all participating clients. However, the average price could be less advantageous to a particular client than if that client had been the only account affecting the transaction, or if the transaction had been completed before or after the other clients.

FIDELIS iM may also place orders for the same security for different clients at different times and in different relative amounts due to, among other things, differences in investment objectives, cash availability, size of order, and practicability of participating in “block” trades. The level of participation by different clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular client. There are circumstances when some of a client’s transactions in the security may not be aggregated with those of other clients. FIDELIS iM has adopted policies and procedures intended to ensure that our trading allocations are fair to all of our clients.

## Review of Accounts

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### **Periodic Reviews**

As part of the account reconciliation process, the Operations Department will review client account activity within 5 business days. Accounts are reviewed annually by the investment adviser representative or client service representative assigned to such accounts. Accounts are also reviewed on a random basis by the Compliance Department to confirm that the account is invested properly.

Client account reviews directly with a client are held on an as-requested basis and are generally set on a recurring schedule. Clients may choose to receive reviews in person (local in our office), by telephone, or by email. Reviews mainly focus on changes to a client’s investment goals, which include a change in the client’s investment objectives, general financial situation, tax considerations, material cash deposits, or withdrawals in client accounts.

Performance reports are available upon request from the client. These reports are prepared with the use of Morningstar Office software for the period requested.

### **Review Triggers**

Client accounts are also reviewed on a non-periodic basis, specifically when investments with respect to such accounts are being bought or sold. In addition, clients may request a review of their account at any time.

### **Regular Reports**

Clients will receive statements directly from the qualified custodian at least quarterly. Individual accounts typically receive monthly statements, while qualified plan sponsors generally receive a quarterly or annual statement. We may also provide additional reporting as agreed upon with the client on a case-by-case basis.

## Client Referrals and Other Compensation

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## **Economic Benefits**

FIDELIS iM may refer clients or prospective clients to unaffiliated professionals for specific needs such as estate planning, insurance, legal services, or accounting related work. FIDELIS iM does not have any agreements or formal referral arrangements with individuals or companies to whom we refer clients or prospective clients and we do not receive any compensation for these referrals. From time to time, it is possible that FIDELIS iM will receive reciprocal referrals from these professionals.

FIDELIS iM only refers clients to professionals we believe are competent and qualified in their respective field. However, it is ultimately the client's responsibility to review the professional. We will generally provide the client with the professional's contact information, and it is the client's decision whether to engage the professional. Clients are under no obligation to purchase any products or services through these professionals, and we have no control over the services they provide. Clients that choose to engage these professionals will sign a separate agreement with them. Fees charged by these professionals are separate from and in addition to fees charged by FIDELIS iM.

If the client desires, FIDELIS iM will work with these professionals or the client's other advisers (such as an accountant, attorney, or insurance professional) to help ensure that the professional understands the client's portfolio and to coordinate services for the client. FIDELIS iM will never share information with an unaffiliated professional unless first authorized by the client.

## **Third Party Solicitors**

FIDELIS iM does not currently utilize unaffiliated solicitors.

# **Custody**

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## **Account Statements**

FIDELIS iM has limited custody of client funds or securities when clients authorize us to deduct our investment management fees directly from their accounts. A qualified custodian (Schwab, TD Ameritrade, Broadridge/Matrix) holds our clients' accounts. Clients will receive statements directly from the qualified custodian at least quarterly. Individual accounts typically receive monthly statements, while qualified plan sponsors generally receive a quarterly statement. The statements will reflect each client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our investment management fee. Clients should carefully review the account statements received from the qualified custodian. Clients with any questions about their statements and reports should contact us at the address or phone number on the cover of this brochure. Clients who do not receive statements from their qualified custodian on their regularly scheduled date should notify us. Custodial statements are sent no less than quarterly.

# **Investment Discretion**

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## **Discretionary Authority for Trading**

FIDELIS iM has full discretion to decide the specific securities to trade, the quantity of such securities, and the timing of securities transactions for client accounts. FIDELIS iM will not contact clients before placing trades in their accounts, but clients will receive confirmations directly from the qualified custodian for any trades placed. Clients grant us discretionary authority in the Investment Management Agreement they sign with us. Clients also give us trading authority over their accounts when they sign the custodial

paperwork. Certain client-imposed conditions may limit our discretionary authority, such as when the client prohibits transactions in specific security types.

### **Limited Power of Attorney**

When opening an account, FIDELIS iM requires that each client sign a limited power of attorney that gives FIDELIS iM discretion over the management of the account, subject to the investment parameters designated by the client and FIDELIS iM to meet the client's investment objectives.

## **Voting Client Securities**

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### **Proxy Voting**

FIDELIS iM does not accept the authority to and does not vote proxies on behalf of advisory client. For any pension plan or other employee benefit plan governed by ERISA, the right and responsibility to vote proxies has been expressly reserved to the plan trustees or other plan fiduciary. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. However, FIDELIS iM may provide advice to clients regarding the clients' voting of proxies.

### Class Actions, Bankruptcies, and Other Legal Proceedings:

FIDELIS iM will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct FIDELIS iM to transmit copies of class action notices to the client or a third party. Upon such direction, FIDELIS iM will make reasonable efforts to forward such notices in a timely manner.

## **Financial Information**

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### **Prepayment of Fees**

FIDELIS iM does not require a prepayment of fees for any accounts.

### **Financial Condition**

There are no financial conditions that would impair our ability to serve the contractual commitments to our clients.

### **Bankruptcy**

FIDELIS iM has never been the subject of a bankruptcy petition.