

## INVESTMENT ADVISOR BROCHURE

### **Sims Investment Management, LLC**

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This brochure provides information about the qualifications and business practices of Sims Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at 513-278-7467 or email address **[sim@simsinvestment.com](mailto:sim@simsinvestment.com)**. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sims Investment Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search the site for registered investment advisors by an identifying number known as a CRD number. The CRD number for Sims Investment Management, LLC. Is CRD # 169491.

Please recognize that anywhere you see Sims Investment Management, LLC identified as a "registered investment advisor" or "registered", that registration in this context does not imply a certain level of skill or training.

## Item 2: Material Changes

Since our last other than annual amendment, our firm has updated the following items:

- We have removed any reference to a wrap fee program throughout this brochure, as SIM does not participate in or sponsor a wrap fee program.
- Item 10 has been updated to reflect insurance activity of some of our representatives.
- Item 12 has been updated to explain our relationship with and the benefits we receive from Charles Schwab.
- Item 17 has been updated to clarify that SIM does not vote proxies on behalf of its clients.

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#### Item 4: Advisory Business.

Sims Investment Management, LLC (SIM), an SEC-registered Investment Adviser, was formed as an Ohio Domestic Limited Liability Corporation in 2013. The principal owner of Sims Investment Management, LLC is Cory K. Sims. Sims Investment Management, LLC does not have a parent company or intermediate subsidiaries.

Our principal business is to provide investment advice and services to our clients who are typically individuals, pension and profit-sharing plans, corporations, and other business entities.

Sims Investment Management, LLC analyzes, constructs, and manages customized investment portfolios based on the particular goals of each client in a manner which takes into account facts and information such as: income needs, liquidity requirements, investment time horizons, rate of return objective, tax considerations, risk tolerance and existing investments. Sims Investment Management, LLC utilizes an array of investment vehicles including, but not limited to equity securities, warrants, debt securities, certificates of deposit, municipal securities, investment company securities, United States government securities, options contracts, hedge funds, private placements, insurance contracts and separately managed accounts.

Depending on the particular investment portfolio and/or investment strategy, Sims Investment Management, LLC employs a variety of security analysis methods including charting, fundamental, technical, cyclical, and statistical analysis. We also consult on wide range of information to analyze and execute investment strategies, such as: financial newspapers and magazines, inspection of corporate activities, third party research materials, annual reports, prospectuses, regulatory filings, press releases and the internet.

SIM will address any or all of the following areas of concern in preparing a financial plan:

1. Personal: Family records, budgeting, personal liability, estate information and financial goals.
2. Tax & Cash Flow: Income tax and spending analysis and planning for the past, current and future years. SIM will illustrate the impact of various investments on a client's current income tax and future tax liability.
3. Death and Disability: cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
4. Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
5. Investments: Analysis of investment alternatives and their effect on a client's portfolio.

SIM gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes toward risk.

Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client. Should a client choose to implement the recommendations, SIM suggests the client work closely with his/her attorney, accountant,

insurance agent and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion.

Sims Investment Management, LLC manages client assets on either a discretionary basis or a nondiscretionary basis. Clients are permitted to impose restrictions on investing in certain securities or types of securities. As of February 7, 2022, Sims Investment Management, LLC manages \$135,135,535 of assets on a discretionary basis and \$412,382 of assets on a non-discretionary basis. Sims Investment Management, LLC also manages \$4,493,959 assets under advisement.

From time to time the firm will do fixed fee consulting or hourly fee consulting on client-oriented concerns or task-oriented issues.

The firm offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

Our firm and our professionals owe a fiduciary duty to all our clients. We also serve as a fiduciary to advisory clients that are employee benefit plans (such as profit-sharing plans or pension plans) or individual retirement accounts (collectively, our "retirement clients") (IRAs) pursuant to ERISA or the Internal Revenue Code ("IRC"). When acting as a fiduciary to these plans, we are subject to specific duties and obligations under ERISA and the IRC that include among other things, restrictions concerning certain forms of conflicted compensation. To avoid engaging in prohibited transactions, the firm only charges fees for investment advice (i) about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or (ii) about products for which our firm and/or our related persons receive commissions or 12b-1 fees if such commission and fees are used to offset advisory fees.

The firm will provide E-newsletters to its clients on monthly basis. There is no fee for this service.

#### **Item 5: Fees and Compensation.**

Sims Investment Management, LLC charges a management fee on each account for the above outlined management service, which may be charged as a percentage of the assets under management, as a flat fee, or as an hourly rate. Initially accounts will be charged in advance based on the contribution and the number of days remaining in the quarter. Thereafter all accounts will be charged in advance on a quarterly basis based on the value of the account on the last day of the preceding quarter. During the calendar quarter, Sims Investment Management, LLC shall not be compensated on the basis of a share of capital gains of the client funds. A fee adjustment will be made for additional contributions or disbursements within a billing period. No fee adjustment will be made for account appreciation or depreciation within a billing period. Sims Investment Management, LLC charges fees a quarter in advance, and as such, a pro rate fee will be rebated for any client that closes their account during a calendar

quarter. Sims Investment Management, LLC will impose no start-up, closing, or penalty fees in connection with an account; however, the custodian may charge some or all of these fees. Sims Investment Management, LLC's fees do not include variable life and annuity contracts, or hedge funds. Some other types of assets would also be subject to additional advisory and other fees/expenses, which are described in the prospectuses of those investments and paid by the investments, but ultimately borne by the investor.

Management fees will be calculated for each calendar quarter based upon the month end account value of the prior quarter and are negotiable. SIM's management fee schedule ranges between .75% and 1% of assets under management for each individual client and is charged quarterly in advance. This fee is negotiable and is based on client demands, account size, account stipulations, and trading frequency. Sims Investment Management, LLC bases this fee on the net asset value that is reported on the client's Brokerage Account Quarterly Statement provided by Charles Schwab. SIM's typical fee schedule is below.

Assets	AUM Fee
\$0 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.90%
\$5,000,001 - \$10,000,000	0.80%
\$10,000,001 and Above	0.75%

Fees for comparable services may be available from other sources at a lower cost. The client will be charged separate fees for exchange, regulatory, and/or third-party fees.

The client authorizes Sims Investment Management, LLC to bill the custodian the fees described above, and the client authorizes or will authorize the custodian to pay Sims Investment Management, LLC directly. The client agrees that the custodian will send, at least quarterly, a statement indicating all amounts disbursed from the client's account, including the amount of fees paid directly to Sims Investment Management, LLC. Financial planning services are included in the AUM fee for Sims Investment Management.

All fees will be invoiced and paid as directed in the agreed upon fee schedule. Sims Investment Management, LLC will provide the custodian with an invoice for the exact amount of the proposed fee withdrawal. The management fee will be deducted by the custodian on a quarterly basis and paid to Sims Investment Management, LLC, unless otherwise noted in the agreement between the client and Sims Investment Management, LLC. The client will receive a quarterly statement and have the opportunity to object to the invoiced payment by email or

written notice to Sims Investment Management, LLC. Upon termination of SIM services, fees will be prorated and unearned fees returned to the client at the beginning of the following quarter.

Some custodians of broker/dealers for the accounts of clients in Sims Investment Management, LLC may charge maintenance or transaction fees that are separate from the advisory fees charged by Sims Investment Management, LLC for its advisory services. The custodian of the client's account, which may be a mutual fund or insurance company, may provide confirmations with each transaction and statements either monthly or quarterly. Any transfer fees, transaction fees, redemption fees, sales loads wiring fees, etc. charged against an account are separate from the Sims Investment Management, LLC management fee, and will be deducted from the account by the custodian.

The hourly fee SIM charges for client consulting or project work is \$250 per hour. The Fixed fee SIM charges for client consulting or project work is in the range of \$1,000 to \$5,000.

The rate for pension consulting services ranges from 0.25% to 0.60%. See chart below.

Assets	AUM Fee
\$0 - \$100,000	.60%
\$100,001 - \$1,000,000	.50%
\$1,000,001 - \$2,000,000	.40%
Over - \$2,000,001	.25%

*These fees are negotiable.*

Pension Consulting fees are directly withdrawn by the pension's custodian from the client's accounts with written authorization from the client. Fees are paid monthly in arrears based on end of the month values. The fees are calculated by a record keeper and deposited into the firm's account.

For further information on Brokerage fees, see item 12, Brokerage Practices.

Neither Sims Investment Management, LLC nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Sims Investment Management, LLC does not charge a fee for the newsletter they provide clients.

Unless other arrangements are made, fees are directly debited from a client's account(s), and each client is required to provide the qualified custodian of the client's account(s) written authorization to deduct the fees described.

The custodian sends the client a statement, at least quarterly, indicating the amount of our fees and all amounts disbursed from the account to our firm for our management fees. We have internal controls that seek to verify that the custodian is withdrawing fees accurately in accordance with your agreement, however, we strongly encourage clients independently verify the accuracy of the fee calculation, as the custodian will not verify the calculation. If a client does not have sufficient cash in the account(s) to cover the payment of fees, some or all of the securities held by the client will be liquidated in order to pay the fees.

The custodian is responsible for sending the client account statements, clients will not receive an account statement or a fee invoice from us. Asset-based fees are always subject to the management agreement between the client and our firm, and we generally retain the right to amend our fee schedule with 30 days prior written notice to the client.

#### **Item 6: Performance-Based Fees and Side-by-Side Management.**

Sims Investment Management, LLC does not charge any performance-based fees or partake in side-by-side management.

#### **Item 7: Types of Clients**

Sims Investment Management, LLC clients are individuals, pension and profit-sharing plans, corporations, and other business entities. The minimum account size is negotiable. There is currently no maximum account size.

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

Sims Investment Management, LLC provides advisory services, investments, and recommendations based on the individual needs of the client through personal discussions in which goals and objectives based on that client's particular circumstances are reviewed. Included in SIM's advisory services are reviews and recommendations on portfolio analysis, retirement, and life, health, disability, and long-term care insurance planning. SIM will also review and advise on personal budgets, asset allocation and investment offerings.

SIM provides asset management of client's funds. SIM diversifies and manages the client's portfolio. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, and various suitability factors. SIM manages the client's



accounts on an individualized basis. Further restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For these reasons, performances of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolio will be identical with the average client of SIM.

SIM will create a portfolio allocating the client's assets among various investments taking into consideration the overall management style agreed upon by SIM and the client. The client will be required to fill out a risk profile and this along with the client interview with SIM will dictate the management style of the account. Clients will have the opportunity to place restrictions on the types of investments and securities that will be made on the client's behalf. Clients will retain individual ownership of all securities.

SIM uses both Fundamental Analysis and Technical Analysis when choosing securities for portfolios. Fundamental Analysis can be described as trying to measure a security's intrinsic value based on economic conditions and a company's financial statements. Technical Analysis, by contrast, focuses on past prices, volumes, and charting techniques to identify patterns that can suggest future activity.

SIM may recommend the use of short-term trading (securities sold within 30 days), short sales, margin transactions or option writing. These strategies can increase costs by increased commissions, transaction costs, and potentially higher taxes due to short term capital gains (CSI) rates. In addition, these investment strategies involve certain additional degrees of risk, and they will only be used when consistent with the client's stated tolerance for risk. Further explanations of these strategies are listed below.

### Options

Sims Investment Management, LLC uses buying and selling options (call and puts) to accomplish several different investment goals; to buy equities, to sell equities and to limit potential loss on investing in certain equities or sectors. We execute options as follows: buying calls to be able to move into positions at lower risk of capital, or to leverage gains where we expect growth in specific securities or sectors; selling calls on long hold positions to gain additional income for the client account or to move out of a position at a price that we feel secures acceptable gains; selling puts where we want to move into positions at an acceptable price and add income to client accounts, and buying puts where we want to hedge against a drop in value of a long position.

### Short Sales

Short selling is an investment strategy with a high level of inherent risk. Short selling involves selling assets that the investor does not own. The investor borrows the assets from a third-party lender (that is, broker-dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of

shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

### Use of Margin

The use of margin involves borrowing money from a broker dealer (ex. Charles Schwab) in order to enhance returns on a portfolio. Investing on margin can heighten the amount of gains or losses in a portfolio. One risk with using margin is when account values decrease, and the client may have to add more money to their account to eliminate the custodian from liquidating losing positions. This is called a margin call and the client should understand when using margin, they may be asked to add money or possibly be sold out of securities that have decreased substantially in value.

The client may grant SIM discretionary authority to buy and sell securities. If the client chooses, the account may be managed on a non-discretionary basis.

Investing in securities involves risk of loss that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

*Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

*Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

*Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

*Currency Risk:* Companies typically have substantial foreign investments which are subject to fluctuations in the value of the dollar against the currency of the investment's originating country causing exchange rate risk.

*Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

*Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

*Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

*Options risk:* Selling call options without owning the underlying security could require the purchase of the same security in the open market to deliver and satisfy the contract. Selling put options could require the purchase of that security at the price stated in the option contract.

*Margin Risk:* Margin is the act of borrowing money to enhance investment returns. Margin risk can include the following: You can lose more than deposited, the firm can force the sale of securities in your account, the firm can sell the securities without contacting you, and you are not entitled to an extension of time on a margin call.

#### Item 9: Disciplinary Information

Ohio Consent Order # 13-037: Mr. Sims was involved in a disciplinary action while not licensed in the role of an Investment Advisor Representative at a prior firm, Valhalla Investment Advisory, in which he earned \$268.61 in compensation from July 20, 2012 – October 9, 2012 in return for acting as an Investment Advisor Representative. Mr. Sims was ordered to cease and desist unlicensed activity and to refund the monies to the clients affected. Mr. Sims must retain record of the monies refunded for five years.

#### Item 10: Other Financial Industry Activities and Affiliations

Sims Investment Management, LLC does not maintain any of the following financial industry activities or affiliations that require disclosure:

- Sims Investment Management, LLC is not registered, nor does it have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- Sims Investment Management, LLC is not registered nor does it have an application pending as a futures commission merchant, a commodity pool operator, or a commodity trading advisor.

Sims Investment Management, LLC does not have any materials relationships or arrangement with any related person listed below:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker

- An investment holding company, a mutual fund, closed-end investment company, unit investment trust, private investment company of “hedge fund,” nor an offshore fund
- Investment adviser or financial planner
- Futures commission merchant, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicate of limited partnerships
- Securities exchange, securities association, or alternative trading system

Certain representatives of SIM are licensed insurance agents. From time to time, he/she may offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. SIM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of SIM in such individual’s outside capacities.

SIM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of SIM in their outside capacities.

Sims Air, LLC is a wholly owned subsidiary of SIM. SIM does not, however, conduct any advisory business with this subsidiary and it exists solely for the purpose of holding certain assets unrelated to SIM as an RIA.

SIM does not utilize nor select third-party investment advisers.

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

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

SIM does not recommend that clients buy or sell any security in which a related person to SIM or SIM has a material financial interest.

From time to time, representatives of SIM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SIM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SIM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

Sims Investment Management, LLC currently uses Charles Schwab & Co., Inc. Advisor Services as custodian for clients' accounts and SIM executes all trades with Charles Schwab & Co., Inc. Advisor Services. Sims Investment Management, LLC does not allow clients to direct transactions through a specified broker-dealer.

Sims Investment Management, LLC selects broker dealers for client transactions based in part on the research or other services made available by those broker-dealers. SIM also considers the broker-dealer trading platform, costs of transactions, costs of margin, customer service, and financial stability of the company when recommending broker-dealers for clients. SIM strives to be associated with the lowest cost broker-dealer and compares broker-dealer transaction costs to other broker-dealers when determining their reasonableness for compensation. We do not intend to pay brokerage commissions higher than those obtainable from other broker dealers in return for research and brokerage products or services. Sims Investment Management, LLC does not have any fixed soft dollar relationships with any broker-dealers, vendors of research information, or vendors of equipment, or other services.

### **Charles Schwab Relationship**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like SIM. Through Schwab Advisor Services, Schwab provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to Schwab's retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services described below are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. The availability to SIM with respect to Schwab products and services is not based on our firm giving investment advice, such as buying securities for our clients. Here is a more detailed description of Schwab's support services:

Schwab's Advisor Services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products

available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements).
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
- provide pricing and other market data.
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting.
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. While as a fiduciary we try to act in our clients' best interests, we may recommend that clients maintain their assets in accounts at Schwab in part because of the benefit to SIM of the foregoing products and services, and not solely due to the nature, cost or the quality of the custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

For our clients' accounts Schwab maintains, Schwab does not charge you separately for custody services but is compensated by charging you commissions on bond trades, non-U.S. Stock trades, mutual funds, margin interest or other fees on trades that it executes or that settle into your Schwab account. For clients that hold a non-publicly traded security, Schwab charges \$250 per year for holding a security.

## **Trade Aggregation**

Orders will be aggregated for purchase or sale of securities when feasible for client accounts. SIM routinely evaluates securities account by account and thus cannot guarantee aggregate purchases or sales will be available. Due to SIM's current size, the increased cost for not aggregating purchases or sales through Charles Schwab & Co., Inc. Advisor Services is de minimis.

## **Item 13: Review of Accounts**

Sims Investment Management, LLC reviews client accounts periodically (at least quarterly) throughout the calendar year, upon request of the client, in response to a material change in the client's investment situation and/or when specific investment recommendations change for a given asset class. Cory K. Sims completes these reviews. Clients' individual investment advisory representatives conduct quarterly reviews of client accounts, and the CCO conducts annual reviews of client accounts.

Sims Investment Management, LLC issues no regular reports to clients. Custodians issue periodic statements and reports of account activity for clients.

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

Sims Investment Management, LLC may offer remuneration to individuals or organizations that make referrals of potential clients under the following circumstances:

1. Sims Investment Management, LLC has a written agreement with the person making the referral;
2. A separate written disclosure document is furnished to the referral client disclosing the relationship between the person making the referral and Sims Investment Management, LLC, the terms of the compensation arrangement between the person making the referral and Sims Investment Management, LLC, and any additional charges client will incur as a result of the referral.
3. The individuals or organizations are licensed as Investment Advisors or Investment Advisor Representatives in States where State Statutes do not recognize solicitors and are required to be licensed.

Solicitors and/or referral sources are typically paid between 10%-50% of the annual AUM fee associated with the account. The solicitor fee is not in addition to our annual fee.

Charles Schwab & Co., Inc. Advisor Services provides Sims Investment Management, LLC with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an

unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, 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. For Sims Investment Management, LLC client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Sims Investment Management, LLC other products and services that benefit Sims Investment Management, LLC but may not benefit its clients' accounts. These benefits may include national, regional or Sims Investment Management, LLC specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Sims Investment Management, LLC by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Sims Investment Management, LLC in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Sims Investment Management, LLC's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Sims Investment Management, LLC's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Sims Investment Management, LLC other services intended to help Sims Investment Management, LLC manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to Sims Investment Management, LLC by independent third parties. Charles Schwab & Co., Inc. Advisor Services 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 Sims Investment Management, LLC. Sims Investment Management, LLC is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.



### Item 15: Custody

Each client appoints, or will appoint, a separate custodian (the custodian) to take possession of the cash, securities, and other assets in the client's account. As a result, Sims Investment Management, LLC will not be responsible for any acts or omissions of the custodian. SIM authority is limited to deducting fees automatically from clients' accounts, but only after prior approval by the client. The custodian provides online statements indicating all amounts disbursed from the account (including the amount of any fees paid to Sims Investment Management, LLC pursuant to the client's authorization), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value at the end of the period. The custodian will also send quarterly copies of the account statements via U.S. Mail to each client.

SIM does not accept directed brokerage.

### Item 16: Investment Discretion

By signing the Advisory Agreement, the client grants Sims Investment Management, LLC the authority to invest/reinvest the assets under Sims Investment Management, LLC's management on the client's behalf without prior consultation from the client (discretionary basis), subject to the client's stated investment objectives and any other client instructions. Sims Investment Management, LLC will secure permission from the client prior to effecting any transactions for the client on all non-discretionary investments. Sims Investment Management, LLC will invest in the investment types listed in this brochure which include, but are not limited to: cash, cash equivalents, U.S. Government securities, equities, options, mutual funds and alternative investments, which include, but are not limited to, direct participation programs.

The client also authorizes Sims Investment Management, LLC to take any other necessary action in connection with the opening and maintenance of the client's account as well as the completion and payment of transactions for the account. Sims Investment Management, LLC will make investment decisions for the client's account according to the client's investment objectives and financial circumstances as described by the client. The client agrees to promptly inform Sims Investment Management, LLC if the information provided in the client information and investor profile becomes materially inaccurate and to consult with Sims Investment Management, LLC to provide updated information on an annual basis.

### Item 17: Voting Client Securities

Sims Investment Management, LLC does not vote proxies. Unless the parties have otherwise agreed in writing (and such writing, in the case of an account subject to the provisions of ERISA, is consistent with plan documents), Sims Investment Management, LLC shall have no authority or obligation to take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, issuers of securities in which assets of the client's account

may be invested from time to time. The client (or the plan fiduciary in the case of an account subject to the provisions of ERISA) expressly retains the authority and responsibility for the voting of such proxies. If there are questions about a particular situation, please contact us at [sim@simsinvestment.com](mailto:sim@simsinvestment.com) or 513-278-7467. Proxies and other solicitations will be delivered directly from the custodian, Charles Schwab.

#### **Item 18: Financial Information**

No disclosure of financial information (a balance sheet) is required because Sims Investment Management, LLC does not have custody of client funds and does not require prepayment of \$1,200 and six months in advance. Neither Sims Investment Management, LLC nor its management has any financial condition that is likely to reasonably impair Sims Investment Management, LLC's ability to meet contractual commitments to clients. Neither Sims Investment Management, LLC nor Cory K. Sims have been the subject of a bankruptcy petition at any time during the past 10 years.