

Item 1 – Cover Page

# WRAP FEE BROCHURE – FORM ADV PART 2A APPENDIX 1

## EASLEY INVESTMENT CONSULTANTS INC.

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March 9, 2023

This wrap fee program brochure (“Wrap Fee Brochure”) provides information about the qualifications and business practices of Easley Investment Consultants Inc. If you have any questions about the contents of this brochure, please contact us at (601) 992-4101. 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.

Please note that the use of the term “registered investment advisor” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this brochure and any brochure supplements (“brochure supplements”) for more information on the qualifications of our firm and our associates.

Additional information about Easley Investment Consultants Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Easley Investment Consultants Inc. is 307258.

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**Item 2 – Material Changes**

We have made no material changes to this Wrap Fee Brochure since our last filing dated March 24, 2022:

- Item 4 of this Wrap Fee Brochure has been amended to reflect that, in addition to our recommendation of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TDA”), we now also recommend the brokerage and custodial services of Charles Schwab & Co., Inc. (“Schwab”) to clients who wish to participate in our wrap fee-based portfolio management services.
- Item 4 of this Wrap Fee Brochure has been amended to reflect that certain costs and fees, such as markups, markdowns, odd-lot differentials, transfer taxes, and other costs may or may not be covered by our Wrap Fee, depending on the Custodian selected by the client.
- Item 4 of this Wrap Fee Brochure has been amended to make reference to Item 12 of our firm brochure which discloses to clients the nature of certain benefits we receive from TDA and Schwab as a result of our recommendation of their brokerage and custodial services to clients.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent Wrap Fee Brochures within 120 days of the close of our business’ fiscal year. A Summary of Material Changes is also included within our Wrap Fee Brochure available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Easley Investment Consultants Inc. is set forth on the cover page of this Wrap Fee Brochure. Clients will further be provided with disclosure about material changes affecting our firm or a brochure as may become necessary or appropriate at any time, without charge.

Currently, copies of our firm brochures may be requested, free of charge, by contacting Carl “Cal” R. Easley, Jr. at the telephone number reflected on the cover page of this Wrap Fee Brochure.

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## Item 4 – Services, Fees, and Compensation

### A Description of Our Firm, Portfolio Management Services, and Wrap Fees.

Easley Investment Consultants Inc. is a Mississippi corporation founded in 2018 by its controlling principals, Carl “Cal” R. Easley, Jr. and Carl R. Easley. The firm is registered as an investment advisor with the SEC and its principal offices are located in Flowood, Mississippi. We are the sponsor and portfolio manager of the EIC Wrap Fee Program. This program allows you to pay a single fee that covers the costs of EIC’s advisory services, in addition to trade execution, custody<sup>1</sup>, and other standard brokerage services and costs<sup>2</sup> (our “Wrap Fee”). EIC’s portfolio management services are provided to clients exclusively as part of the EIC Wrap Fee Program.

The information contained in this Wrap Fee Brochure describes our investment advisory services, practices, and fees as they relate to your engagement of EIC for portfolio management services under the EIC Wrap Fee Program. As used throughout this Wrap Fee Brochure, the words “we,” “our,” “firm,” “EIC” and “us” refer to Easley Investment Consultants Inc., and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

EIC offers portfolio management services that are tailored to the investment objectives and financial circumstances of our clients. The client will deposit their assets at an independent custodial firm (the “Custodian”), typically a licensed broker-dealer, and grant us limited authority to buy and sell securities either on a discretionary or non-discretionary basis. The full scope of our authority regarding the client’s account will be set forth in a written advisory agreement entered with the client. We act as your fiduciary, responsible for the management of your investment account(s) held at the Custodian, where assets are held in your name.

Our portfolio management services are typically offered on a discretionary basis only, however, we may agree to provide such services on a non-discretionary basis, upon client request.

- Where you grant us discretionary authority, you authorize our firm and our investment advisor representatives to implement our investment recommendations

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<sup>1</sup> Custodial fees may not be covered where the client elects to utilize a Custodian other than those recommended by EIC.

<sup>2</sup> The specific brokerage costs covered within our Wrap Fee vary depending on the Custodian selected by the client. For example, where the client elects to engage Charles Schwab & Co., Inc. as the Custodian for the client’s wrap fee account, the costs of markups, markdowns, and spreads are not covered by EIC’s Wrap Fee, and the client will bear such costs separately. Clients are urged to review the account opening documentation of their selected Custodian for full details on any costs and fees that may be excluded from EIC’s Wrap Fee.

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directly within your account held at the Custodian *without* obtaining your specific consent prior to each transaction.

- Where we agree to manage your account on a non-discretionary basis, we will provide you with investment recommendations which you are free to accept or reject, in whole or in part. We will only implement our investment recommendations within your account held at the Custodian upon your request and *with* your prior approval.

Clients always have the ability to impose reasonable restrictions on our management of their account(s), including the ability to instruct us not to purchase certain specific securities, industry sectors, and/or asset classes. All such requests must be provided to us in writing. While we generally attempt to accommodate such restrictions, we reserve the right to reject such investment limitations if they would frustrate our management of your account, or for any other reason, in our sole discretion. We will notify you promptly if we are unable to honor any of your investment restrictions or limitations.

A description of our portfolio management services and applicable Wrap Fee is as follows:

Portfolio Management Services. Our firm offers ongoing and continuous portfolio management services that are uniquely tailored to your financial circumstances. Through periodic consultations with you, we will gather information regarding your financial goals, investment objectives, tolerance for risk, and the time horizon for your investments. The information we typically request in this process will include your current and expected income level, tax information, investment experience, current and expected cash needs, current portfolio construction/asset allocation, and risk tolerance level, among other items. Based on our analysis of these factors, we will prepare an investment policy statement (or similar documentation used to establish your investment objectives and suitability) outlining parameters for our management of your account(s). We will then implement an initial investment strategy and portfolio intended to align with your unique financial situation and goals. Client portfolios are typically constructed utilizing a diversified combination of mutual funds, exchange traded funds (“ETFs”), individual bonds, stocks, and other instruments, as may be appropriate for the individual client.

In some instances, we may also engage certain independent third party money managers (“TPMMs”) to directly manage all or a portion of your account on a discretionary basis. You will be provided with a copy of each recommended TPMM’s Form ADV Part 2 firm brochure (or the equivalent) prior to the allocation of your assets to any TPMM managed account(s) (each a “TPMM Account”). Where a TPMM is engaged, we will continue to act as your fiduciary and a “co-advisor” to your TPMM Accounts. We will determine the suitability of the TPMM’s investment program, communicate any changes in your investment profile to the TPMM, and recommend changes in your TPMM allocations as we believe to be in your best interests. The TPMM shall be responsible for all portfolio management and trading functions related to your TPMM Accounts.

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Following implementation of your initial investment portfolio, we will monitor the performance of your investments (including any held in TPMM Accounts) on a periodic basis and implement changes within your account as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals. It is your ongoing responsibility to advise us in writing of any material changes to your financial circumstances.

At our discretion, portfolio management clients may also receive complimentary financial planning services. These services are described in detail in our firm brochure. If you did not receive a copy of our firm brochure, we will provide one to you, free of charge, by contacting us at the telephone number on the cover page of this Wrap Fee Brochure.

Wrap Fees. EIC charges annual Wrap Fees which are calculated as a percentage of the market value of your account in accordance with the below fee schedule. Our Wrap Fees may be negotiated on a per client basis, and some clients may pay fees at a higher or lower rate than those stated below.

For purposes of our billing and fee schedule, we may elect, in our sole discretion, to combine the value of all of your related accounts (including any accounts held individually or jointly by you, your spouse, your minor children, or your business, including retirement accounts) for purposes of determining the applicable fee level. These “household” account values would be combined and assessed the same fee rates under our fee schedules below.

**Wrap Fee Schedule – Discretionary Accounts**

<b>Assets Under Management</b>	<b>Annualized Fee</b>
\$0 – \$500,000	1.25%
\$500,001 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.75%
\$5,000,001 and above	Negotiable

**Wrap Fee Schedule – Non-Discretionary Accounts**

<b>Assets Under Management</b>	<b>Annualized Fee</b>
All Accounts	0.50%

Our Wrap Fee covers the costs of advisory services, trade execution, custody, and certain other standard brokerage services and costs generated in connection with our management of your account held at the Custodian.

Our Wrap Fees are calculated and payable monthly, in advance, based on the value of your account (including any cash balances) at the end of the prior billing period as calculated by the Custodian of your account. Wrap Fees are charged on a blended basis (e.g., a discretionary portfolio management account valued at \$600,000 will pay a 1.25% per

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annum fee on the first \$500,000 of assets and a 1.00% per annum fee on the balance). The initial advisory fee applicable to your account will be based on the opening value of your account as of the date on which we begin to provide services and shall be prorated for partial periods at the beginning or end of our engagement.

Clients may make additions or withdrawals from their account at any time, however, Wrap Fees for funds added during a billing period will be charged the following month, without proration. Clients should note that some or all of the investments in their account may be intended as long-term investments and withdrawals of cash and premature liquidations of securities positions may impair the achievement of your investment objectives.

All security pricing is done by the Custodian that will maintain your account(s) titled in your name. We will rely on this pricing in determining the Wrap Fee attributable to your account(s). The Custodian may use various pricing services such as Reuters and Standard & Poor's to price securities held in your account. For actively traded securities, these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security.

Our Wrap Fees are directly deducted from your account held at the Custodian upon your written approval of such arrangement and our periodic submission to the Custodian of a written invoice reflecting the amount of advisory fees to be charged to your account. Your authorization for direct fee deduction is set forth in our written advisory agreement and/or the account opening documents of your Custodian. We will liquidate money market shares or use cash balances from your account to pay our Wrap Fee, however, if money market shares or cash value are not available other investments may be liquidated. Please note that unexpected or premature liquidation of investments to pay our advisory fees may impair the performance of your account. We do not offer direct paper or electronic invoicing of our Wrap Fees.

The Custodian will independently send an account statement to you, typically monthly, but no less than quarterly, identifying the amount of funds and each security in your account at the end of the period and setting forth all transactions in your account during the period, including the amount of any fees paid to us. *We encourage you to review our reports and the Custodian's account statements carefully and promptly upon receipt.* If you believe we have miscalculated our fees or if there is any other issue with your account, you should contact us immediately at the phone number listed on the cover page of this Wrap Fee Brochure.

Portfolio management services may be terminated at any time by either party, within five (5) days of entering an advisory agreement, without penalty. Thereafter, our portfolio management services may be terminated by either party on thirty (30) days' written notice to the non-terminating party. In the event of termination, we shall be compensated by a prorated advisory fee based on the number of days in the terminating period during which

services were provided. A refund of any excess pre-paid advisory fees shall be returned to you promptly following termination of our services.

While we believe our Wrap Fees to be reasonable for the services provided, lower fees for comparable services may be available from other sources. Our fees are negotiable and we may enter into fee arrangements that are materially different than those described above with certain clients. Any change in fees applicable to your account (outside of normal movement between fee tiers) will not go into effect unless we provide you with thirty (30) days' notice of any proposed change and the opportunity to terminate our services.

Broker-Dealer Selection and Recommendation. Clients maintain the discretion to select the Custodian(s) and broker-dealer(s) to be used for custody of their assets and for the execution of transactions within their portfolio management account(s). Clients independently engage the Custodian(s) and broker-dealers of their desire by executing the appropriate account opening documentation of the selected firm(s), and in doing so, authorize our firm to direct the execution of transactions for the client's account through the selected Custodian and broker-dealer firm(s).

We typically recommend that clients participating in the EIC Wrap Fee Program engage the brokerage and custodial services of Charles Schwab & Co., Inc., 211 Main Street, San Francisco, California 94105 ("Schwab") or TD Ameritrade Institutional, a division of TD Ameritrade, Inc., 200 South 108th Avenue, Omaha, Nebraska 68154 ("TDA"), each an independent SEC-registered broker-dealer and Member FINRA/SIPC. EIC is independently owned and operated and not affiliated with Schwab or TDA. Schwab and TDA do not monitor or control the activities of our firm or its personnel. Schwab, TDA, or another Custodian selected by the client will act solely as a Custodian and/or broker-dealer and not as your investment advisor. They will hold your assets in a brokerage account or accounts and buy and sell securities and execute other transactions when instructed to do so by you or EIC. We do not have the discretion to determine the commission rates at which transactions are to be affected for your account and we may recommend that clients engage different Custodians and executing brokers in the future.

In recommending broker-dealers, we have an obligation to seek the "best execution" of transactions in your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer's services. Some of the factors we may consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer's execution and custodial capabilities, commission rates, financial responsibility, responsiveness and customer service, research services/ancillary brokerage services provided, and other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, our firm will continue to recommend that clients engage Schwab and/or TDA until their services do not result, in our opinion, in best execution of client transactions.

If the client selects a Custodian other than Schwab or TDA for execution of transactions (i.e., directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those experienced by clients who elect to utilize one of our recommended Custodians. For example, in a directed brokerage account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we may place orders for your transactions after we place transactions for clients using our recommended Custodians. We reserve the right to reject your request to use a particular Custodian other than Schwab or TDA if such selection would frustrate our management of your account, or for any other reason.

Clients are advised that we receive certain benefits (typically in the form of access to technology or services that assist us in the management and administration of client accounts and/or other free or discounted services or products) in connection with our recommendation of Schwab's and TDA's brokerage and custodial services to clients. For a full description of our brokerage practices, including the benefits we receive from Schwab and TDA and the related conflicts of interest, please see Item 12 in our firm brochure.

**B      Certain Conflicts of Interest Related to Wrap Fees.**

As described above, the costs of advisory services, trade execution, custody, and certain other standard brokerage services and costs generated in connection with our management of your account held at the Custodian will be absorbed by and are included within the Wrap Fee paid to our firm. EIC will retain the remaining amount of the Wrap Fee you pay for our advisory services after our payment of the brokerage commissions and certain other costs generated in your account. This creates an incentive for us to trade your account less frequently and/or to invest your account in assets that may be subject to waived or reduced brokerage commissions (if available), resulting in EIC retaining a greater portion of the Wrap Fee paid by the client. Additionally, you should consider that the Custodians we typically recommend to clients enrolled in our wrap fee program, Schwab and TDA, may not charge commissions (or transaction fees) for certain online trades of U.S. exchange-listed equities, U.S. exchange-listed ETFs, and no-transaction-fee ("NTF") mutual funds. This means that, in most cases, when we buy these types of securities, we can do so without paying commissions to Schwab or TDA. To address the foregoing conflicts, we manage your account in strict accordance with your investment policy statement and our ongoing fiduciary duty to you.

Since the Wrap Fee associated with your account covers the costs of advisory services, trade execution, custody, and certain other standard brokerage services and costs incurred in your account, it may represent a premium relative to what you might otherwise pay in a similar investment program operated as a non-wrap fee arrangement (i.e., where our advisory fees and the separate costs of transaction-based charges and commissions, custodial fees, and other related costs are each billed separately to you) (a “Non-Wrap Fee”). Specifically, you should consider the following:

- The benefits under a wrap fee program depend, in part, upon the size of the account, the costs associated with managing the account, and the frequency or type of securities transactions executed in the account. For example, a wrap fee program may not be suitable for all accounts, including but not limited to accounts holding primarily, and for any substantial period of time, cash or cash equivalent investments, fixed income securities or no-transaction-fee mutual funds, or any other type of security that can be traded without commissions or other transaction fees.
- In order to evaluate whether a wrap fee arrangement is appropriate for you, you should compare the agreed-upon Wrap Fee and any other costs associated with participating in the EIC Wrap Fee Program with the amounts that would be charged by other advisors, broker-dealers, and Custodians, for advisory fees, brokerage, and execution costs, and custodial services comparable to those provided under the EIC Wrap Fee Program.

Please consider that, depending upon the level of our Wrap Fee, the amount of portfolio activity in your account, the value of the services that we provide to you, and other factors, the Wrap Fee we charge you may or may not exceed the aggregate cost of the advisory and brokerage services you will receive if they were to be provided and charged to you separately. Stated differently, by participating in Wrap Fee arrangement, you may end up paying more or less than you would through a Non-Wrap Fee arrangement where a lower advisory fee is charged, but the brokerage commissions are passed directly to you by the broker. As a general matter, Wrap Fee arrangements are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the client in accounts that experience little trading activity.

## **C     Additional Costs and Expenses.**

Our Wrap Fee covers the combined costs of EIC’s investment advice and the costs of trade execution, custody, and certain other standard brokerage services and costs incurred in your account. Most portfolio management client accounts are expected (but not required) to engage the custodial and brokerage services of our recommended Custodians, Schwab or TDA.

Clients should note that there are material differences in the specific brokerage costs and charges that are covered within our Wrap Fee based on the Custodian selected for the

client's Wrap Fee account. For example, Clients are advised that where Schwab is selected as the Custodian, our Wrap Fee does not cover fees charged by other brokers for execution of trades that settle into the client's Schwab account (i.e., "trade-away" fees), markups, markdowns, bid-ask spreads, and selling concessions, custody charges for non-publicly traded securities, margin interest charges (if applicable), electronic funds and wire transfer fees, transfer taxes, odd-lot differentials, and other similar fees and charges, which shall be paid separately by the client. As a further example, where TDA is selected as Custodian, the costs associated with investment advice provided by any TPMMs or brokerage transactions associated with trades directed by any TPMMs is not covered by our Wrap Fee. Accordingly, Clients are urged to carefully review the account opening documentation of their selected Custodian for full disclosure of the brokerage costs which are covered by our Wrap Fee.

As part of our portfolio management services, we may invest your account in mutual funds and/or ETFs. The Wrap Fee that you pay to our firm is separate and distinct from the internal management fees and other expenses that may be charged by mutual funds and/or ETFs to their shareholders, for which you will be separately responsible.

We do not share in any portion of the foregoing additional fees and expenses. To fully understand the total costs you will incur by engaging our services, you should review the prospectus of each mutual fund, ETF, and/or TPMM advisory program in which you are invested and the contractual arrangement with the Custodian of your account.

**D     No Compensation Paid For Referrals.**

We do not pay any referral fees or additional compensation of any kind with respect to referrals of clients to our firm for portfolio management services offered under the EIC Wrap Fee program.

**Rollover Recommendations**

As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You

are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover

transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (e.g., risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

## **Item 5 – Account Requirements and Types of Clients**

We may provide portfolio management services to high net worth individuals, pension and profit sharing plans and their participants, trusts, partnerships, corporations, and other business entities. Because each client is unique, they must be willing to be involved in the planning and ongoing processes of our management of their account. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments.

We do not require any minimum account size to engage our portfolio management services. There is no minimum Wrap Fee to engage us for portfolio management services.

## **Item 6 – Portfolio Manager Selection and Evaluation**

### **A     Selection and Review of Portfolio Managers**

All portfolio management services are typically managed, directed, and performed exclusively by EIC's in-house portfolio managers. Our portfolio managers are registered as investment advisor representatives of our firm and are retained based on their demonstrated skill and experience in managing client portfolios.

On occasion, our in-house portfolio managers may recommend that certain TPMMs be engaged to sub-advise all or a portion of your account. In recommending TPMMs to you, we may take into account a number of considerations, including, without limitation, the length of time the TPMM has been operating; the qualifications of the TPMM's management and analytical team and their bench strength; whether the TPMM's strategy fits your investment needs; the TPMM's track record of executing well and consistently on their stated investment strategy; whether the TPMM's reporting system is timely and user-friendly; and the TPMM's commitment to customer service and problem resolution.

Portfolio manager performances, including those of any TPMMs, are evaluated in light of generally accepted benchmarks and/or our expectation of their performance level within the client's overall investment portfolio. We will consider replacing portfolio managers if they fail to meet the selected benchmark or otherwise fail to meet the expected level of performance we designate for your account.

**B Conflicts of Interest Related to Use of In-House Portfolio Managers.**

You should be aware that because our in-house portfolio managers will manage your account, we have an incentive to evaluate their performance more favorably than we might otherwise if they were not affiliated with our firm. Likewise, because your portfolio manager is affiliated with our firm, we have a disincentive to terminate their services to your account or to take other negative action as a result of their failure to perform to our expectations. You should be further aware that our firm cannot actively monitor TPMMs' conflicts of interest, daily trading activity, and other operational issues.

**C Additional Disclosures Related to our Advisory Business; Performance-based Fees and Side-by-side Management; Methods of Analysis, Investment Strategies and Risk of Loss; and Voting of Client Securities**

We do not charge any performance-based fees for our services or engage in side-by-side management of accounts.

While we do not recommend one particular type of investment or asset class over any other, we primarily advise our clients regarding investments in equity securities, mutual funds, ETFs, corporate debt securities, and variable products (life insurance and annuities). Depending on the client's financial circumstances, our investment advice may also concern other instruments, including, without limitation, municipal securities, exchange traded notes, money market accounts, and U.S. government securities. We may also provide advice regarding investments held in the client's portfolio at the inception of our advisory relationship or advice concerning other investment instruments specifically requested by the client.

We may use some or all of the following methods of analysis in providing investment advice to you:

Fundamental Analysis. In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you.

Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected. The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of overall market movement.

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Mutual Fund and ETF Selection and Analysis. We evaluate and select mutual funds and/or ETFs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the performance of the mutual fund or ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the mutual fund or ETF or applicable market sector; and (4) whether and to what extent the underlying holdings of the mutual fund or ETF overlap with other assets held in your account. We also monitor the mutual fund or ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of mutual funds and ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change overtime without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

TPMM Selection and Analysis. This is the analysis of the experience, investment philosophies, and past performance of independent TPMMs in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. Key factors we consider when evaluating TPMMs are their investment process and philosophy, risk management methods and procedures, historical performance, investment strategy and style, fees and operating expenses, assets under management and number of clients, and tax-efficiencies. Our evaluation also incorporates

both qualitative and quantitative fundamental analysis to validate and confirm a TPMM's investment style and skill, as well as to compare them to other managers of similar style. We may utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC, industry contacts and manager data, among other items, as part of the research process. Monitoring the TPMM's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment completes the analysis. As part of the due-diligence process, the TPMM's compliance and business enterprise risks may be surveyed and reviewed.

Methods of analysis such as charting, fundamental, technical, or cyclical analysis may be used by the TPMMs we help select or recommend to clients. Please refer to the disclosure brochure of the TPMM for more information.

We typically use the following investment strategies in managing client accounts:

Long-term Purchases. We primarily take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. A trading program rather than an investment program may not be suitable for all clients. "Trading" refers to purchasing and selling securities on a short-term basis with the intention of achieving quick profits. Trading is, by definition, a form of speculating as distinguished from investing.

A trading strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains. For these reasons, we will use trading strategies only in client accounts we believe will benefit from the strategy and which can assume the increased risk of loss.

We use our best judgment and good faith efforts in rendering investment advice to our clients. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a Custodian of your account(s).

Summary of Investment Risks. While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. **This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.**

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

Economic Risk. The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or

global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk. Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Market Risk. The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g. earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g. such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

TPMM Risks. A TPMM's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of your TPMM account(s) are determined by the TPMM directly, and may change overtime without advance warning to our firm, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a TPMM may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for the client's portfolio. We do not control any TPMM's daily business and compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks Related to Analysis Methods. Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities Transactions at the Direction of Clients. Irrespective of whether you engage us on a discretionary or non-discretionary basis, you always maintain the concurrent ability to direct transactions within your account held at the Custodian. We are not responsible for the consequences of your self-directed investment decisions.

Interim Changes in Client Risk Tolerance and Financial Outlook. The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by electronic means) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

We do not have authority to vote and therefore do not vote client securities. Additionally, we do not provide advice to clients on how the client should vote. Clients will receive proxies and other solicitations directly from the Custodian or transfer agent. If any proxy materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

#### **Item 7 – Client Information Provided to Portfolio Managers**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our in-house portfolio managers will have access to your suitability information, written financial plan (if any), and all other information provided to us by you and contained in your client file with the firm. We will communicate with any TPMMs selected to manage your account on an as needed basis (daily, weekly, monthly, quarterly, etc.) to ensure that your most current investment goals and objectives are understood by such TPMMs. In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your TPMMs when you ask us to, when they ask us to, when market or economic conditions make it prudent to do so, etc.

#### **Item 8 – Client Contact with Portfolio Managers**

There are no limitations on the client's ability to contact our firm and speak with the in-house portfolio manager of their account. It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.

With respect to any TPMMs, clients should contact us prior to communicating with the portfolio manager directly. However, clients are free to directly contact their TPMMs with any questions or concerns they have about their portfolios or other matters.

## **Item 9 – Additional Information**

### **A Disciplinary Information; Conflicts of Interest; Financial Industry Activities and Affiliations**

EIC is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with EIC has any information to disclose which is applicable to this Item.

Neither our firm nor our personnel receive any compensation for the sale of any securities.

Certain associated persons of EIC are independently licensed to sell insurance in one or more states acting as a direct agent representative of a specific insurance company or companies. Insurance related business may be transacted with advisory clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to EIC or its associated persons for investment advisory services are separate and distinct from any commissions earned by EIC or its associated persons for selling insurance products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with our firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our associated persons are appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the insurance licensing of our associated persons.

### **B Code of Ethics; Participation or Interest in Client Transactions and Personal Trading; Account Reviews; Client Referrals and Other Compensation; and Financial Information.**

We subscribe to an ethical and high standard of conduct in all our business activity in order to fulfill the fiduciary duty we owe to our clients. Included in these ethical obligations is the duty to put our client's interests ahead of our own along with duties of loyalty, fairness, and good faith towards our clients. We disclose to clients material conflicts of interest

which could reasonably be expected to impair our rendering of unbiased and objective advice.

EIC has a Code of Ethics (“Code”) which all employees are required to follow. The Code outlines proper conduct related to all services provided to clients and will be made available to you, free of charge, upon request by contacting us at the phone number listed on the cover page of this Wrap Fee Brochure. Prompt reporting of internal violations is mandatory. EIC’s Chief Compliance Officer, Carl “Cal” Easley, Jr., evaluates employee performance to ensure compliance with our Code.

Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm and its staff, the Code requires, among other procedures, our “access persons” to report their personal securities transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities which may be purchased or sold for client accounts. The Code is required to be reviewed annually and updated as necessary.

Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients.

EIC and/or individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, “Proprietary Accounts”) while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered simultaneously (but typically only as part of a block trade) with or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts.

The practice of trading in Proprietary Accounts creates an actual conflict of interest with our clients insofar as our firm or individuals associated with our firm may have a financial incentive to trade in securities for Proprietary Accounts in advance of or opposite to transactions in the same securities for client accounts. To address this conflict, our policy is that, assuming the purchase or sale is otherwise appropriate for the subject client accounts, we will purchase or sell securities for our clients’ accounts, as the case may be, before purchasing or selling any of the same securities for any Proprietary Accounts. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our clients. The only exception to this general rule is where our Proprietary Accounts may participate in an aggregate (“block”) trade simultaneously with client accounts.

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In summary, our practice of buying and selling for Proprietary Accounts the same securities that we buy or sell for client accounts is restricted by the following controls:

- We are required to uphold our fiduciary duty to our clients;
- We are prohibited from misusing information about our clients' securities holdings or transactions to gain any undue advantage for ourselves or others;
- We are prohibited from buying or selling any security that we are currently recommending for client accounts, unless we participate in an aggregated trade with clients, or unless we place our orders after client orders have been executed; and
- We are required to periodically report our securities holdings and transactions to the firm's Chief Compliance Officer, who must review those reports for improper trades.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

We will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Portfolio management accounts are generally reviewed by Carl "Cal" Easley, Jr., who is responsible for overseeing all investment advisory activities for the firm. However, individuals conducting reviews may vary from time to time, as personnel join or leave our firm. The frequency of reviews is determined based on each client's investment objectives and investment profile. Accounts are generally reviewed quarterly, but in any event, no less than annually.

More frequent reviews of accounts may be triggered by a change in a client's investment objectives; risk/return profile; tax considerations; contributions and/or withdrawals; large sales or purchases; security specific events; or changes in the economy more generally.

Clients will receive standard account statements and trade confirmations from the Custodian selected by the client typically on a monthly basis, but no less than quarterly. We will provide you with independently prepared written reports on a quarterly basis and additional reports as you may reasonably request. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, as examples.

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We have no arrangements, written or oral, in which we compensate others or are compensated for client referrals.

EIC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

EIC does have discretionary authority over certain client funds and securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients.

Neither EIC nor any of its principals, have been the subject of a bankruptcy petition at any time in the past.