

PORTFOLIO ADVISORS, INC.

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Brochure

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This brochure provides information about the qualifications and business practices of Portfolio Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 559-432-8400. 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 Portfolio Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Portfolio Advisors, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Since Portfolio Advisors, Inc.’s last annual amendment filing on February 23, 2023, this Brochure has been amended as follows:

- At Items 5 and 7 to discuss changes to the firm’s minimum annual fee practices
- At Items 5 and 12 to discuss changes to the firm’s recommended qualified custodian

Item 3 Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	6
Item 6	Performance-Based Fees and Side-by-Side Management	9
Item 7	Types of Clients.....	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9	Disciplinary Information	13
Item 10	Other Financial Industry Activities and Affiliations	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	14
Item 12	Brokerage Practices	15
Item 13	Review of Accounts.....	17
Item 14	Client Referrals and Other Compensation	18
Item 15	Custody.....	18
Item 16	Investment Discretion.....	18
Item 17	Voting Client Securities.....	18
Item 18	Financial Information	19

Item 4 Advisory Business

- A. Portfolio Advisors, Inc., (the “Registrant”) was originally formed as a general partnership in 1990 and became a registered Investment Adviser Firm on November 30, 1990. On December 17, 2007, Registrant became a corporation formed in the State of California. The Registrant is owned by Tina Mistry, CFP, through the Ellis Family Trust.
- B. As discussed below, the Registrant offers to its clients (individuals, high net worth individuals, and pension and profit-sharing plans) investment advisory services and, to the extent specifically requested by the client, financial planning and consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide non-discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management.

Registrant’s annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. For clients who do not have assets under Registrant’s management, Registrant may instead render financial planning and consulting services on a standalone fixed fee basis. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. If the client engages any professional (e.g., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided.

Registrant does not provide ongoing monitoring of previously-provided financial planning recommendations, and the client is free to accept or reject any recommendations made by Registrant. Unless otherwise agreed, the client remains exclusively responsible for implementation of any accepted recommendations. It remains the client’s responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives in order to request a re-evaluation of Registrant’s previous recommendations and/or services.

PENSION CONSULTING SERVICES

The Registrant also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Registrant may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.

To the extent requested by a client, Registrant may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance services. Accordingly, Registrant does not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for these purposes (e.g., attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Registrant or its representatives. If the client engages any professional, recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Registrant, shall be responsible for the quality and competency of the services provided.

Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) without first obtaining the client's consent.

Retirement Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant.

ERISA / IRC Fiduciary Acknowledgment. When Registrant provides investment advice to a client regarding the client's retirement plan account or individual retirement account, it does so as a fiduciary 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. The way Registrant makes money creates some conflicts with client interests, so Registrant operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's.

Under this special rule's provisions, Registrant must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put its financial interests ahead of the client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Registrant gives advice that is in the client's best interest;
- Charge no more than is reasonable for Registrant's services; and
- Give the client basic information about conflicts of interest.

Independent Managers. Registrant may recommend that a client allocate a portion of its investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Registrant will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. The factors Registrant considers in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the Independent Manager(s) shall be set forth in a written agreement between the client and the engaged Independent Manager(s) and such fee is separate from, and in addition to, Registrant's advisory fee as set forth in Item 5.

Dimensional Fund Advisors. Mutual funds issued by Dimensional Fund Advisors ("DFA") are generally only available through select registered investment advisers. As one such select registered investment adviser, Registrant may allocate client investment assets to DFA mutual funds. Upon the termination of Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among, DFA funds will apply.

Periods of Portfolio Inactivity. Registrant has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Registrant will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Registrant determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Registrant will be profitable or equal any specific performance level(s).

Cash Positions. Registrant considers cash and cash equivalents (e.g., money market funds, etc.) are a material component of an investor's asset allocation. Therefore, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the Registrant may maintain cash and cash equivalent positions for defensive, liquidity, or other purposes. Unless otherwise agreed in writing, all such cash positions are included as part of assets under management for purposes of calculating the Registrant's advisory fee. Clients are

advised that, at any particular time, the fee charged by Registrant for advisory services may exceed the yield earned on cash and cash equivalent positions.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other designated professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Registrant if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of Registrant's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2022, the Registrant had \$196,750,557 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES

The client can engage the Registrant on a *fee-only* basis to provide non-discretionary investment advisory services and, to the extent specifically requested by the client, financial planning and consulting services. In general, Registrant's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management between 0.25% and 1% as follows:

Assets Under Management	Annual Fee %
First \$1,000,000	1.00%
Next \$1,000,000 - \$1,999,999	0.50%
Above \$3,000,000	0.25%

To illustrate the above schedule, a client placing \$1,500,000 under Registrant's management will be subject to an annual fee of 1.00% on the first \$1,000,000 and 0.50% on the remaining \$500,000.

Before engaging the Registrant to provide investment advisory services, clients are required to enter into a Non-Discretionary Investment Advisory Agreement, setting forth

the terms and conditions of the engagement (including termination), which describes the fees and services to be provided.

Registrant, in its sole discretion, may negotiate for a less fee or otherwise engage in alternative fee arrangements with clients (such as fixed fee engagements), not discussed above. The specific agreed upon terms for any such alternative arrangements are contained in the client's agreement with Registrant. Reduced fees or alternative fee arrangements may be provided based upon a variety of criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, prior fee schedules, competition, negotiations with client, etc.). As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Minimum Fees: Beginning January 1, 2024, Registrant will generally require a minimum annual investment advisory fee. For calendar year 2024, this minimum advisory fee will be \$3,000. The first application of this minimum annual fee will be for Registrant's First Quarter 2024 arrears billing, which is expected to take place on or around March 31, 2024. Registrant's minimum annual fee will be adjusted for inflation at a 3.00% rate of increase per year, with such inflation adjustments occurring annually on January 1. The first inflation adjustment is expected to be made on January 1, 2025. If a client is accepted with less than \$300,000 in assets under Registrant's management, and is subject to Registrant's minimum annual fee of \$3,000, such client will pay an annual fee in excess of the 1.00% shown in the fee schedule above. Existing clients will be reviewed as of December 31 each year to determine whether they will be subject to Registrant's then-current minimum fee or asset-based fee for the subsequent calendar year. Due to a variety of factors such as market movements, account deposits or withdrawals, and newly-added or removed managed accounts, certain clients may regularly alternate between Registrant's minimum annual fee and standard asset-based fee. All clients are advised that, due to the nature of Registrant's minimum annual fee and annual inflation adjustments, in certain instances, clients subject to the minimum annual fee may pay a higher fee than clients subject to Registrant's standard asset-based fee, despite having fewer assets under Registrant's management. The Registrant, in its sole discretion, may waive or reduce its minimum fee based upon a variety of criteria (e.g., legacy clients, nature and scope of overall services to be rendered, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Clients without assets under Registrant's management may also engage Registrant to provide financial planning and consulting services on a standalone basis for a fixed fee. The fixed fee applicable to these engagements will be individually negotiated with the client based on a variety of factors, including but not limited to the professional(s) rendering the service and the overall scope of planning and consulting services to be provided. The agreed upon fee, as well as any prepayment and refund provisions, will be set forth in a standalone Financial Planning and Consulting Agreement with the client.

PENSION CONSULTING

Registrant's pension consulting fee is negotiable, but does not exceed 1.00% per year and is based upon certain criteria including but not limited to: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed,

related accounts, account composition, negotiations with client, scope of the service(s) required, and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the applicable billing quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab & Co., Inc. ("Schwab") serve as the broker-dealer/custodian for client investment management assets.

Registrant had previously recommended TD Ameritrade, Inc. ("TDA") as the client's qualified custodian. Beginning on or around September 1, 2023, existing TDA accounts will be converted to Schwab accounts in connection with the merger of TDA and Schwab. This conversion is expected to be completed on or around September 4, 2023. Beginning September 1, 2023, Registrant no longer opens new accounts with TDA and now recommends Schwab as its primary qualified custodian.

Broker-dealers such as TDA and Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions in accordance with their respective brokerage commission/transaction fee schedules. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the applicable billing quarter. The Registrant generally requires a minimum annual investment advisory fee of \$3,000 but may, in its sole discretion, waive or reduce its minimum fee based upon certain criteria including but not limited to: anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc. The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, the Registrant will debit the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days in which services were provided during the billing quarter.

With respect to standalone financial planning and consulting clients, Registrant may require that up to one hundred percent (100%) of the client's fixed fee be paid in advance. In the event the client terminates the financial planning and consulting engagement prior to the completion of services, Registrant will provide a refund of any advanced fees, prorated based upon the amount of work completed and the time dedicated to the financial planning and consulting engagement at the time of termination.

- E. Neither the Registrant nor any of its representatives accept compensation from the sale of securities or other investment products.

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

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients generally include: individuals, high net worth individuals, charitable organizations, and pension and profit-sharing plans.

Beginning January 1, 2024, Registrant will generally require a minimum annual investment advisory fee. For calendar year 2024, this minimum advisory fee will be \$3,000. The first application of this minimum annual fee will be for Registrant's First Quarter 2024 arrears billing, which is expected to take place on or around March 31, 2024. Registrant's minimum annual fee will be adjusted for inflation at a 3.00% rate of increase per year, with such inflation adjustments occurring annually on January 1. The first inflation adjustment is expected to be made on January 1, 2025. If a client is accepted with less than \$300,000 in assets under Registrant's management, and is subject to Registrant's minimum annual fee of \$3,000, such client will pay an annual fee in excess of the 1.00% shown in the fee schedule above. Existing clients will be reviewed as of December 31 each year to determine whether they will be subject to Registrant's then-current minimum fee or asset-based fee for the subsequent calendar year. Due to a variety of factors such as market movements, account deposits or withdrawals, and newly-added or removed managed accounts, certain clients may regularly alternate between Registrant's minimum annual fee and standard asset-based fee. All clients are advised that, due to the nature of Registrant's minimum annual fee and annual inflation adjustments, in certain instances, clients subject to the minimum annual fee may pay a higher fee than clients subject to Registrant's standard asset-based fee, despite having fewer assets under Registrant's management. The Registrant, in its sole discretion, may waive or reduce its minimum fee based upon a variety of criteria (e.g., legacy clients, nature and scope of overall services to be rendered, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Registrant's Methods of Securities Analysis: Registrant analyzes historical asset class performance and applies modern portfolio asset allocation techniques to customized client portfolios. Its security analysis is based upon a number of factors including those derived from commercially available software technology, securities rating services, general economic and market and financial information, due diligence reviews, and specific investment analyses that clients may request. Registrant also draws upon investment information, certain proprietary analyses and expansive academic research to provide innovative investment advisory services. Registrant's selection of asset classes is

driven by research into global asset classes by such academics as Professor Eugene Fama, Sr. of the University of Chicago Booth Graduate School of Business and the Center for Research in Security Prices, Professor Kenneth French of Dartmouth College, and many other academics and researchers.

Registrant's Investment Strategies: Registrant's investment approach is based on the belief that markets are "efficient," meaning, that the market of buyers and sellers tends to price an asset quickly and fairly, based on the currently "known" information. Investor portfolios should be determined principally by asset allocation decisions and not by market timing or stock picking. Registrant does not forecast business cycles or interest rates. There are no strategies for automatically shifting allocations among stocks, bonds, and cash. Registrant's strategy for each position is designed to capture the return behavior of an entire asset class. Generally, Registrant's investment selections involve non-actively managed, asset class mutual funds. Registrant believes that these funds are most likely to deliver asset class returns and have the added benefit of low internal costs. Occasionally, Registrant will include mutual funds managed on a non-passive basis.

Registrant primarily allocates from asset classes such as Large U.S. Stocks, Small U.S. Value Stocks, Short-Term Bonds, and International Stocks. Each asset class has its own risk and return characteristics. By allocating investments among the several asset classes, Registrant seeks to reduce the overall volatility of a portfolio and enhance returns. The asset classes selected and the percentage weighting given each class profoundly affect the overall volatility and expected return of a portfolio. Registrant seeks to determine efficient weightings for each client's portfolio in order to maximize the probability of achieving the client's long-term objectives while minimizing short-term risk.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

- B. The Registrant's method of analysis and investment strategies are fundamental, and generally do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.
- C. Currently, the Registrant primarily allocates client investment assets among various individual equity (stocks), debt (bonds), mutual funds, and/or exchange traded funds

(“ETFs”) on a non-discretionary basis in accordance with the client’s designated investment objective(s).

Risks associated with these asset types include:

1. 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.
2. 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 may be caused by external factors independent of the fund’s specific investments as well as due to the fund’s specific investments. Additionally, each security’s price will fluctuate based on market movement and emotion, which may, or may not be due to the security’s operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
3. 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.
4. 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.
5. 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.
6. Market Risk (Systematic Risk): Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of your portfolio will fluctuate, there is a risk that you will lose money.
7. Unsystematic Risk: Unsystematic risk is the company-specific or industry-specific risk in a portfolio. The combination of systematic (market risk) and unsystematic risk is defined as the portfolio risk that the investor bears. While the investor can do little to reduce systematic risk, he or she can affect unsystematic risk. Unsystematic risk may be significantly reduced through diversification. However, even a portfolio of well-diversified assets cannot escape all risk.
8. Credit Risk: Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer’s credit rating or a perceived change in an issuer’s financial strength may affect a security’s value, and thus, impact performance. Credit risk is greater for fixed income securities with ratings below investment grade (BB or below by Standard & Poor’s Rating Group or Ba or below by Moody’s Investors Service, Inc.). Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

9. **Income Risk:** Income risk is the risk that falling interest rates will cause the investment's income to decline.
10. **Call Risk:** Call risk is the risk that during periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.
11. **Purchasing Power Risk:** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply. Rising inflation means that if you have \$1,000 and inflation rises 5 percent in a year, your \$1,000 has lost 5 percent of its value, as it cannot buy what it could buy a year previous.
12. **Political Risks:** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
13. **Regulatory Risk:** Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
14. **Risks Related to Investment Term:** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not what we believe it is truly worth. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value.

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs and mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a mutual fund or ETF client or investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes in the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. The mutual funds charge a separate management fee for their

services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro-rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. While clients and investors may be able to sell their ETF shares on an exchange, ETFs generally only redeem shares directly from shareholders when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

When consistent with a client's investment objectives, real estate investment trusts ("REITs") may also be used or recommended in client accounts. REITs are subject to risks generally associated with investing in real estate, such as (i) possible declines in the value of real estate, (ii) adverse general and local economic conditions, (iii) possible lack of availability of mortgage funds, (iv) changes in interest rates, and (v) environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

Item 9 Disciplinary Information

The Registrant has not been the subject of a disciplinary action.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Registrant does not have any relationship or arrangement with any related person that is material to its advisory business or to its clients.
- D. Registrant does not recommend or select other investment advisors for its clients for which it receives a fee.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Persons must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at Schwab.

Registrant had previously recommended TDA as the client's qualified custodian. Beginning on or around September 1, 2023, existing TDA accounts will be converted to Schwab accounts in connection with the merger of TDA and Schwab. This conversion is expected to be completed on or around September 4, 2023. Registrant no longer opens new accounts with TDA and now recommends Schwab as its primary qualified custodian.

Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending TDA and/or Schwab (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from TDA and/or Schwab (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or

software and/or other products used by Registrant in furtherance of its investment advisory business operations.

Certain of the above support services and/or products assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TDA and/or Schwab as a result of this arrangement. There is no corresponding commitment made by the Registrant to TDA and/or Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Registrant no longer opens new TDA custody accounts and now recommends Schwab as its primary qualified custodian. Existing TDA accounts will be converted to Schwab accounts in connection with the merger of TDA and Schwab, and this conversion is expected to be completed on or around September 4, 2023. While Registrant is not compensated for its clients changing custodians, there are certain economic benefits that Registrant will receive as a result of its relationship with Schwab. These benefits include access to enhanced support services, technology without cost (and/or at a discount) which allow Registrant to better monitor your accounts, and discounted and/or gratis attendance at conferences, meetings, or events. These benefits are not tied to transaction costs related to client accounts and there is no corresponding commitment for Registrant to invest client assets with any specific mutual fund or securities. Given these benefits received from Schwab, this presents a conflict of interest in recommending that Schwab serve as your custodian, including during the custodian transition process.

Additional Benefits

Registrant has received from Dimensional Fund Advisors, an unaffiliated SEC registered investment adviser ("DFA"), certain additional economic benefits ("Additional Benefits") that may or may not be offered to the Registrant again in the future. Specifically, the Additional Benefits include partial payment for certain marketing events. Over the past few years, DFA has made one-off payments to third party vendors for marketing related expenses. These payments ranged between approximately \$250 and \$3,500. The annual aggregate value of such payments has not exceeded \$3,500. Each payment is non-recurring and individually negotiated. The Registrant has no expectation that these Additional Benefits will be offered again; however, the Registrant reserves the right to negotiate for these Additional Benefits in the future. DFA provides the Additional Benefits to Registrant in its sole discretion and at its own expense, and neither the Registrant nor its clients pay any fees to DFA for the Additional Benefits. Registrant and DFA have not entered into any written agreement to govern the Additional Benefits.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements

for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant’s Principal. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant can receive economic benefits from TDA, Schwab, and/or DFA. The Registrant, without cost (and/or at a discount), can receive support services and/or products from TDA, Schwab and/or DFA.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TDA, Schwab, or DFA as a result of this arrangement. There is no corresponding commitment made by the Registrant to TDA, Schwab, DFA or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. Neither the Registrant nor any related person of the Registrant directly or indirectly compensates any person for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

The Registrant provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from the Registrant to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

Item 16 Investment Discretion

The Registrant does not manage client assets on a discretionary basis.

Item 17 Voting Client Securities

Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (however, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with

the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Jessica Sadredin.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.