

## Item 1: Cover Page

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**Diversified Portfolio Management, LLC**  
**d/b/a Heritage Financial Solutions, LLC**  
**Form ADV Part 2A**  
**Investment Adviser Brochure**

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August 2023

This Brochure provides information about the qualifications and business practices of Diversified Portfolio Management, LLC, d/b/a Heritage Financial Solutions LLC, (“we,” “us,” “our”), CRD #: 131008. If you have any questions about the contents of this Brochure, please contact Amber Wallis, Chief Compliance Officer, at (620) 471-2020 or [amber.wallis@lpl.com](mailto:amber.wallis@lpl.com).

Additional information about our Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

We are a registered investment adviser. Please note that use of the term “registered investment advisor” and a description of the Firm and/or our employees as “registered” does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

## Item 2: Summary of Material Changes

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### **Annual Update**

In this Item of Diversified Portfolio Management, LLC d/b/a Heritage Financial Solutions, LLC's (we or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment.

### **Material Changes since the Last Update**

Since our last annual updating amendment on March 26, 2023, the Firm has the following Material Change to report:

- This Form was updated to clarify that we do not vote proxies on behalf of clients. Please see Item 17 (Voting Client Securities).

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact Amber Wallis, Chief Compliance Officer, at (620) 471-2020 or [amber.wallis@lpl.com](mailto:amber.wallis@lpl.com).

Additional information about our Firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). 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.

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## Item 4: Advisory Business

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### **Firm Description**

Diversified Portfolio Management, LLC is an Investment Advisor doing business under the name Heritage Financial Solutions, LLC, (we) provide advice to individuals, pension and profit-sharing plans, trusts, estates and charitable organizations, corporations, or other business entities, and other retirement accounts (IRA's, SEP's, etc.). Diversified Portfolio Management, LLC was founded in 2004.

### **Principal Owners**

Diversified Portfolio Management is owned by William Hayden Wealth Mgmt, LLC which is wholly owned by Amber L. Wallis.

### **Types of Advisory Services**

We provide investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations.

On occasion, we may provide consulting services for portfolio review and/or design of same without any on-going supervision and reporting.

On more than an occasional basis, we furnish advice to clients on matters not involving securities, including such topics as personal finance, taxation issues, retirement planning, and trust services that often include estate planning.

### **Investment Supervisory Services**

We provide continuous advice to clients regarding investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy statement and create and manage a portfolio based on that policy.

We will manage advisory accounts on a discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, growth and income, etc.). We will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, ETF's (exchange traded funds), and no-load or load-waived mutual funds. We will allocate our client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will retain individual ownership of all securities.

When appropriate to the needs of the client, we may recommend the use of margin transactions. Because this investment strategy involves certain additional degrees of risk, it will only be recommended when consistent with the client's stated tolerance for risk.

### **Consulting**

We also offer investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. Additionally, we may provide advice on non-securities matters; generally, in connection with the rendering of estate planning, insurance, and/or annuity advice.

We provide personalized, confidential planning and investment management to individuals, pension and profit-sharing plans, trusts, estates and charitable organizations, corporations or other business entities, and other retirement accounts (IRA's, SEP's, etc.). Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

### **Asset Management**

Assets are invested primarily in no-load or load-waived mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. We do not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, fixed life insurance, fixed annuities and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through the Firm.

### **Tailored Relationships**

We tailor advisory services to the individual needs of the client. The goals and objectives for each client are documented in our client relationship management system. Clients may impose reasonable restrictions on investing in certain securities or types of securities. Investment policy statements are created that reflect the stated goals and objectives, including any restrictions imposed by the client.

### **Fiduciary Statement**

We are fiduciaries. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also 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.

We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. We must take into consideration each client's objectives and act in the best interests of the client. We are prohibited from engaging in

any activity that is in conflict with the interests of the client. We have the following responsibilities when working with a client:

- To render impartial advice;
- To make appropriate recommendations based on the client's needs, financial circumstances, and investment objectives;
- To exercise a high degree of care and diligence to ensure that information is presented in an accurate manner and not in a way to mislead;
- To have a reasonable basis, information, and understanding of the facts in order to provide appropriate recommendations and representations;
- Disclose any material conflict of interest in writing; and
- Treat clients fairly and equitably.

Regulations prohibit us from:

- Employing any device, scheme, or artifice to defraud a client;
- Making any untrue statement of a material fact to a client or omitting to state a material fact when communicating with a client;
- Engaging in any act, practice, or course of business which operates or would operate as fraud or deceit upon a client; or
- Engaging in any manipulative act or practice with a client.

We will act with competence, dignity, integrity, and in an ethical manner, when working with clients. We will use reasonable care and exercise independent professional judgement when conducting investment analysis, making investment recommendations, trading, promoting our services, and engaging in other professional activities.

#### **Wrap Fee Programs**

We do not participate in a Wrap Fee Program.

#### **Client Assets**

As of June 15, 2023, we manage approximately \$84,155,693 in assets, solely on a discretionary basis.

## Item 5: Fees and Compensation

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### **Compensation**

The Firm bases its fees on a percentage of assets under management.

### **Compensation – Investment Supervisory Services**

Asset-based management fees will be charged quarterly in advance based on a percentage of the client's assets under management at the beginning of that calendar quarter. The compensation for our services, which includes developing and implementing an investment policy statement based on the clients' goals and objectives, monitoring a client's investment results, and reporting to the client on a quarterly basis, is as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>
Up to \$199,999	1.85%
\$200,000 to \$499,999	1.45%
\$500,000 to \$999,999	1.20%
\$1,000,000 or more	1.00%

Individual accounts for members of the same family, defined as husband, wife and children, are assessed fees based on the total account balance of all family accounts.

### **Calculation and Payment**

The specific manner in which fees are billed by and remitted to Heritage Financial Solutions, LLC varies by custodian.

For accounts custodied at LPL Financial, clients authorize LPL Financial to deduct management fees from their accounts. LPL Financial calculates the fees according to the client's agreement, deducts them from the clients' accounts, and remits the fees to Heritage Financial Solutions, LLC.

For accounts custodied at Charles Schwab & Co. or any other approved custodian, excluding LPL Financial, the manner in which fees are charged is established in a client's agreement with us. We will calculate fees on a quarterly basis, in advance. With client authorization, we normally directly debit fees from the applicable client accounts; however, in a few unique situation's fees are directly billed to the client.

If an account is terminated, a client will receive a pro-rata refund of any fees collected in advance, but not yet earned by us.

### **Termination of Agreement**

Either the client or the Firm may terminate an investment management fee agreement at any time by giving a 30-day written notification.

### **Commissions or Sales Charges for Recommendations of Securities**

In the event the client desires, the client can engage certain persons associated with us to render securities brokerage services under a commission arrangement. Clients are under no obligation to

engage such persons and may choose brokers or agents not affiliated with us. Under this arrangement, the client may implement securities transactions through certain of our Investment Advisor Representatives, in their respective individual capacities as registered representatives of LPL, an SEC registered broker-dealer and member of FINRA. Brokerage commissions may be charged by LPL to affect these securities transactions and thereafter, a portion of these commissions may be paid by LPL to such Investment Advisor Representatives. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker-dealers. In addition, certain of our Investment Advisor Representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While we do not sell such securities products to its investment advisory clients, we do permit our Investment Advisor Representatives, in their individual capacities as registered representatives of LPL, to sell securities products to its investment advisory clients. A conflict of interest exists to the extent that we recommend the purchase of securities where our Investment Advisor Representatives receive commissions or other additional compensation as a result of our recommendations. We have procedures in place to ensure that any recommendations made by such Investment Advisor Representatives are in the best interest of clients regardless of any additional compensation earned.

### **Cash Balances**

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our investment advisory fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the investment advisory fees charged are higher than the returns you receive from your cash.

### **Retirement Plan Rollover Recommendations**

As part of our investment advisory services to our clients, we may recommend that clients roll assets from their 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 advise on the client's 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.

If the client elects to roll the assets to an IRA that is subject to our advisement, we will charge the client an asset-based fee as set forth in the advisory agreement the client executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to the client (i.e., receipt of additional fee-based compensation). Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if clients do complete the rollover, clients are under no obligation to have the assets in an IRA advised on 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 our clients' best interests and not put our interests ahead of our clients.'

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 our clients' 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 our clients' best interests;
- charge no more than a reasonable fee for our services; and
- give clients 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, clients 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 the 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 clients with an explanation of the advantages and disadvantages of both account types and document the basis for our belief that the rollover transaction we recommend is in your best interests.

### **General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size or structure, family holdings, low-cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Lower fees for comparable services may be available from other sources. Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment companies, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees, and commissions are exclusive of and in addition to our fee. We do not receive any portion of these commissions, fees, and costs.

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or sub-account directly, without the services of the Firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition, goals, and objectives. Accordingly, the client should review both the fees charged by the funds/sub-accounts and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar higher or lower fees.

#### **Fees and Expenses (Mutual Funds Share Class)**

Funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount thresholds or is enrolled in an eligible fee-based investment advisory program. Institutional share classes usually have a lower expense ratio than other share classes.

The Firm and its IARs who are dually licensed as Registered Representatives have a financial incentive to recommend or select share classes that have a 12b-1 fee because such share classes generally result in higher compensation. The Firm has taken steps to minimize this conflict of interest, by conducting periodic reviews of client holdings in mutual fund investments to ensure the appropriateness of mutual fund share class selections and whether alternative mutual fund share class selections are available that might be more appropriate given the client's particularized investment objectives and any other appropriate considerations relevant to mutual fund share class selection. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio.

The appropriateness of a particular fund share class selection is dependent upon a range of different considerations, including but not limited to: the asset-based advisory fee that is charged, whether transaction charges are applied to the purchase or sale of funds, operational considerations associated with accessing or offering particular share classes (including the presence of selling agreements with the fund sponsors and the Firm's ability to access particular share classes through

the custodian), share class eligibility requirements; and the availability of revenue sharing, distribution fees, shareholder servicing fees or other compensation associated with offering a particular class of shares.

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

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The Firm and its Supervised Persons (employees) do not accept performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Item 7: Types of Clients

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### **Types of Clients**

We generally provide investment advice to individuals, high net worth individuals, banking or thrift institutions, pension and profit-sharing plans, trusts, estates and charitable organizations, corporations or other business entities, and other retirement accounts (IRA's, SEP's, etc.).

### **Account Minimums**

Generally, the minimum account size is \$100,000 of assets under management, which equates to an annual fee of \$1,850. We may group certain related client accounts for the purpose of achieving the minimum account size.

We have the discretion to waive the account minimum. The decision to waive the account minimum may be influenced by certain criteria such as the historical client relationship, type of assets, anticipated future earning capacity, dollar amounts of assets to be managed, related accounts, account composition, and negotiations with clients.

Accounts of less than \$100,000 may be accepted when we anticipate the client will add additional funds to the accounts bringing the total to \$100,000 within a reasonable time.

Other exceptions will apply to employees of the Firm and their relatives, or relatives of existing clients.

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

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### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis**, which attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### **Investment Strategies**

Our advice is based upon long-term investment strategies that incorporate the principles of modern portfolio theory. Our investment approach is firmly rooted in the belief that markets are efficient, and that the investors returns are determined principally by asset allocation decisions, not market timing or stock picking.

Our primary investment strategy utilizes broadly diversified portfolios of passively managed mutual funds which are strategically allocated to incorporate three specific risk factors: equity exposure, company size, and a book-to-market stock price factor. Portfolios are globally diversified to control the risk associated with traditional markets.

We reserve the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. We may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

Other strategies may include long-term purchases, short-term purchases and margin transactions.

### **Risks- Mutual Funds**

We primarily recommend mutual funds. Mutual funds carry the following material risks:

- Mutual funds are subject to market risk and volatility. Shares may lose or gain value. Diversification does not assure a profit or protect against loss.
- Shares of mutual funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested.

Before investing in any mutual fund, investors should carefully consider a fund's investment objectives, risks, charges and expenses, as disclosed in the fund's prospectus.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

**All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Although we manage assets in a manner consistent with your investment objectives and risk tolerance, there can be no guarantee that our efforts will be successful. You should be prepared to bear the following risks of loss:**

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Pandemic Risk:** Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption.
- **Custodial Risk:** This risk is the probability that a party to a transaction will be unable or unwilling to fulfill its contractual obligations either due to technological errors, control failures, malfeasance, or potential regulatory liabilities.

## **Initial Public Offerings**

We do not participate on behalf of our clients in initial public offerings.

## Item 9: Disciplinary Information

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### **Legal and Disciplinary**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There are no material, legal or disciplinary events to disclose under this item.



## Item 10: Other Financial Industry Activities and Affiliations

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### **Financial Industry Activities – Broker-Dealers**

We are not registered as a broker-dealer, but all of our management persons are registered representatives of a broker-dealer.

### **Financial Industry Activities – Futures and Commodities**

We are not registered and do not have an application pending as a securities broker-dealer, futures commissions merchant, commodity pool operator, or a commodity trading advisor.

### **Financial Industry Activities – Broker-Dealer Registered Representatives**

As disclosed above, the Firm's Management Persons and other Supervised Persons are registered representatives of LPL Financial. This relationship creates a material conflict of interest with clients. Commissions vary from product to product and create a conflict of interest between the stockbroker's own interests and those of the client. Clients will be made aware when a Supervised Person is acting as a registered representative and will be informed of any fees or commissions that will result from such transactions, should the client decide to utilize such services.

As discussed previously, certain associated persons of the Firm are registered representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if the client does not establish any account through LPL Financial. If you would like a copy of the LPL Financial privacy policy, please contact Amber Wallis.

### **Other Activities and Affiliations**

Investment Adviser Representatives (IARs) of the Firm may be licensed insurance agents or brokers and may be appointed with several insurance companies. They may earn separate compensation for transactions implemented through various insurance companies. Clients are not obligated to use any company for insurance product purchases and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by us.

### **Other Investment Advisors**

We do not recommend or select other investment advisors for our clients.

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

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### **Code of Ethics**

Our employees must comply with a Code of Ethics and Statement for Insider Trading. The Code describes the Firm's high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Amber Wallis, Chief Compliance Officer, reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of the Firm receive preferential treatment.

Our employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination.

Clients and prospective clients can obtain a copy of our Code of Ethics by contacting Amber Wallis at (620) 471-2020.

### **Participation or Interest in Client Transactions – Personal Securities Transactions**

The Firm and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics and designed to reasonably prevent conflicts of interest between us and our clients.

### **Participation or Interest in Client Transactions**

The Firm and its employees may buy or sell securities that are also held by clients. Employees comply with the provisions of our Code of Ethics.

**Participation or Interest in Client Transactions – Principal/Agency Cross**

We will not affect any principal or agency cross securities transactions for client accounts.

**Participation or Interest in Client Transactions – Aggregation**

We do not aggregate or block trades.

## Item 12: Brokerage Practices

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### **Research and Other Soft Dollar Benefits**

LPL Financial and Schwab Institutional may provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. From time to time, LPL Financial or Schwab Institutional may offer our supervised persons the ability to attend industry-related conferences or other benefits; however, we do not believe that such incentives impair our independence. Clients should be aware, however, that our receipt of these benefits from a broker-dealer may create a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar general research access or discounts on research products.

LPL Financial and Schwab also offer other services intended to help us manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefit providers, human capital consultants and insurance providers.

Investment Advisor Representatives receive from LPL bonuses based on their production, awards of stock, options to purchase shares of LPL's parent company, LPL Investment Holdings, Inc., and other things of value such as free or reduced-cost marketing materials, attendance at LPL's national conference or top producer forums and events. These types of compensation from LPL may be based on Investment Advisor Representatives' overall business production and/or on the amount of assets serviced by them in LPL advisory programs. This means that Investment Advisor Representatives may have a financial incentive to recommend an advisory program over other programs and services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker/dealers.

### **Directed Brokerage**

If the client requests us to arrange for the execution of securities brokerage transactions for the client's account, we shall direct such transactions through broker-dealers that we reasonably believe will provide best execution. We shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

We generally recommend that portfolio management clients establish advisory accounts with LPL Financial, a registered broker-dealer, member FINRA and SIPC, to maintain custody of clients' assets and to effect trades for their accounts.

We are independently owned and operated and not affiliated with LPL Financial; however, all of the investment advisory representatives of us are registered representatives of LPL Financial. As a result of this relationship LPL Financial compliance must supervise the activities of us. To facilitate such supervision LPL requires that we must custody assets at LPL or other approved custodians that provide an electronic data feed to LPL Financial.

For our client accounts maintained at either LPL Financial or Schwab Institutional, the custodian is compensated through transaction-related fees for securities trades that are executed through the custodian or that settle into custodian accounts. The transaction fees charged by LPL, Schwab Institutional, or any other designated broker-dealer are exclusive of, and in addition to, our fees.

We may receive from LPL or Schwab, at no cost to us, professional services, computer software, and related systems support, enabling us to better monitor client accounts maintained at LPL Financial or Schwab Institutional. We may receive this support without cost because of the portfolio management services rendered to clients that maintain assets at particular custodian. The support provided may benefit us, but not its clients directly. In fulfilling its duties to its clients, we endeavor at all times to put the interests of its clients first. Clients should be aware; however, that our receipt of economic benefits from a broker-dealer, or the required payment of fees to a broker/dealer, may create a conflict of interest since these benefits and fees may influence our choice of one broker-dealer over another.

The transaction fees paid by our clients shall comply with our duty to obtain “best execution.” However, a client may pay transaction fees that are higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the 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 a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while we will seek competitive rates, it may not necessarily obtain the lowest possible transaction fee rates for client transactions.

### **Trade Aggregation**

We do not typically aggregate or block trades as most trades are mutual funds or exchange-traded funds where trade aggregation does not typically obtain any client benefit.

If aggregate or block trades are executed, the accounts for us or our employees may be included in an aggregate or block trade with client accounts.

### **Supervisory Fees**

LPL Financial is required by FINRA to supervise the activities of us and our investment advisory representatives. To facilitate supervision LPL Financial requires all investment advisory assets to be custodied on LPL Financial or at an approved custodian.

If assets are custodied at Schwab Institutional or another approved custodian, a supervisory fee equal to 5 basis points annually of the assets is assessed by LPL Financial and paid by the advisor, which creates a conflict of interest. The existence of this fee is disclosed to the client, who has the option of selecting a different approved custodian.

## Item 13: Review of Accounts

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### **Reviews**

The investment philosophy of the Firm is monitored by Amber Wallis.

We communicate with you periodically to keep apprised of changes to your needs and/or circumstances, and regularly review your portfolio, including the asset allocation and the specific assets included in the account. Our review includes comparing the portfolio and current security positions to the goals and objectives as outlined by your Investment Policy Statement. We review changes to your investment circumstances, evaluating the specific holdings, re-balancing the portfolio and communicating the current status of the portfolio and any recommended actions to you.

Clients' accounts are reviewed regularly; formal reviews, including contact with clients, typically occur at least once a year.

### **Review Triggers**

We believe in being fully invested in a passive, strategic asset allocation strategy and under normal circumstances would not recommend making changes resulting from changes in the market, political or economic conditions. Other conditions that may trigger a review are changes to tax laws, new investment information, and changes in a client's own situation.

### **Reporting**

At least quarterly, the custodian will provide an account statement for each client account. The statements may include individual holdings, cost basis information, deposits and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each transaction.

We provide clients with a quarterly report including an account appraisal that identifies the current positions as of the reporting date, amount owned, current value, capital contributions and withdrawals, and percentage weighting within the portfolio of each security. A performance summary is also provided for the portfolio during the most recent quarter, year-to-date, one-year, three-year, five-year, and ten-year cycles and from inception.

## Item 14: Client Referrals and Other Compensation

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### **Other Compensation**

We usually do not receive economic benefits, other than normal compensation, from any firm or individual for providing investment advice, other than as disclosed above.

### **Compensation – Client Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. We do not compensate referring parties for these referrals.

## Item 15: Custody

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### **Custody – Fee Debiting**

Clients may authorize us (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and us. The custodian is advised in writing of the limitation of our access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to us.

Under government regulations, we are deemed to have custody of your assets if, a client authorizes us to instruct custodian to deduct investment advisory fees directly from a client account. The custodian maintains actual custody of your assets. Clients receive account statements directly from the custodian at least quarterly. Statements will be sent to the email or postal mailing address you provided to the custodian. You should carefully review those statements promptly when you receive them.

Clients whose assets are custodied at LPL Financial authorize LPL Financial to calculate, debit advisory fees, and then remit the fees to the advisor. We do not have custody of assets under this arrangement.

While we will assist clients in establishing and maintaining accounts at the custodian, we shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

### **Custody – First Party Money Transfers**

Clients may provide LPL Financial with written ongoing authorization to ACH money between the client's accounts held with the qualified custodian directly to an outside financial institution (i.e., a client's bank account). A copy of this authorization is provided to the qualified custodian. The authorization includes the client's name and account number(s) at the outside financial institution(s) as required.

### **Custody – Third Party Money Transfers**

Clients may provide LPL Financial with a standing letter of authorization (or similar asset transfer authorization) which allows LPL Financial to disburse funds on behalf of clients to third parties. LPL Financial ensures the following conditions are in place when we have third party money movement authority:

1. The client provides a Written Authorization to the custodian that includes all appropriate information as to how the transfer should be directed;
2. The Written Authorization includes instruction to direct transfers to the third party either on a specified schedule or from time to time;
3. Appropriate verification is performed by the custodian, along with a transfer of funds notice to the client promptly after each transfer;
4. The client may terminate or change the instruction to the custodian;



5. LPL Financial has no authority or ability to designate or change any information about the third party contained in the instruction;
6. LPL Financial maintains records showing that the third party is not a related party of the Firm or located at the same address as LPL Financial; and
7. The custodian sends the client a written initial notice confirming the instruction and an annual written confirmation thereafter.

#### **Custody – Account Statements**

As described above and in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the reports that we provide. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

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### **Discretionary Authority for Trading and Limited Power of Attorney**

Through the investment management agreement, we may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows us to execute trades on behalf of clients.

When such limited powers exist between us and the client, we have the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, we may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to us in writing.

## Item 17: Voting Client Securities

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### **Proxy Voting**

We do not have any authority to and do not vote proxies on behalf of clients, nor do we make any express or implied recommendation with respect to voting proxies. Clients retain the sole responsibility for receiving and voting proxies that they receive directly from either their custodian or transfer agents. Clients may contact us for information about proxy voting.

## Item 18: Financial Information

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### **Financial Condition**

We are not required to provide a balance sheet; we do not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients by the pandemic and have not been the subject of a bankruptcy proceeding.