



**Part 2A of Form ADV: Firm Brochure**

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August 1, 2023

This brochure provides information about the qualifications and business practices of JHP Wealth Management, LLC ("JHP"). If you have any questions about the contents of this brochure, please contact us at 720-580-0597. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. JHP is a Registered Investment Adviser. Registration as an Investment Adviser with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about JHP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. Our Firm's IARD number is: 298784.

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## ITEM 2 – MATERIAL CHANGES

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This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). There have been no material changes to our Firm’s Brochure since our last annual amendment filing made on March 24, 2023.

To request an additional copy of this Brochure, you may contact our Chief Compliance Officer, Parker Cleveland at 720-580-0597 or you can visit the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Our Firm’s IARD number is: 298784. We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

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This Disclosure document is being offered to you by JHP Wealth Management, LLC (“JHP” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment advisory firm located in Lone Tree, Colorado. Our Firm became a registered investment adviser in October 2018. John Holtkamp is the owner of the firm.

We are committed to helping clients build, manage, and preserve their wealth, and to provide guidance that helps clients achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and JHP execute an Investment Management Agreement.

### Investment Management Services

JHP manages advisory accounts on a discretionary basis. Once we have determined an agreed upon asset allocation target and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. Account supervision is guided by the agreed upon asset allocation target. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equity and debt securities through the use of exchange-traded funds (“ETFs”), Institutional Share Class mutual funds (where available/appropriate) and cash in accordance with the client’s stated investment objectives. All of which are considered asset allocation categories for the client’s investment strategy.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on the client’s needs, we develop an agreed upon asset allocation target and investment plan. We then implement and manage the client’s investments based on the agreed upon asset allocation target and investment plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals.

Once we have determined the appropriate strategy for you and executed the strategy, we will provide ongoing investment review and management services. This approach requires us to periodically review your account(s).

With our discretionary relationship, we will make changes to the account(s), as we deem appropriate, to meet your financial objectives. We trade your account(s) based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your account(s) is/are managed in a manner consistent with those needs and objectives. You

will have the ability to impose restrictions on investing in certain securities or types of securities.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect account performance. This could result in capital losses in your account(s).

### **Financial Planning**

Financial planning services are included in the investment management services as described above. While we will work with all clients to understand their financial objectives, we will not present a formal financial plan to all of them. Clients will be offered delivery of a Plan and those Clients that do engage in a Financial Plan will receive a written Financial Plan. Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team may offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and/or family legacy objectives. Our team, as applicable, may partner with our clients' other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services may include various reports on specific goals/objectives, general investment and/or planning recommendations, guidance on outside assets, and/or periodic updates. Our Firm utilizes the software, MoneyGuide Pro for providing financial planning services.

Our specific services in preparing your formal financial plan may include:

- Review and clarification of your financial goals;
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning;
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession, and other personal goals; and/or,
- Development of a goal-oriented investment plan, with input (as applicable) from various advisors to our clients around tax suggestions, asset allocation, asset location, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

When both investment management or plan implementation and investment management services are offered, there is a conflict of interest since there is an incentive for us offering investment management services to recommend products or services for which JHP receives compensation. However, JHP will make all recommendations independent of such considerations and based solely on our obligations to consider your objectives and needs. As an investment management client, you have the right not to act upon any of our

recommendations and not affect the transaction(s) through us if you decide to follow the recommendations.

#### **Disclosure Regarding Rollover Recommendations**

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) rollover 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). No client is under any obligation to roll over plan assets to an IRA advised by our Firm or to engage our Firm to monitor and/or advise on the account while maintained with the client's employer. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding this disclosure.

We are fiduciaries under the Investment Advisers Act of 1940 and 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 and/or the Internal Revenue Code, 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.

#### **Wrap Fee Program**

JHP does not participate in wrap fee programs.

#### **Assets**

As of December 31, 2022, total discretionary assets under management are \$143,896,748. Non-discretionary assets under management are \$0.

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### **ITEM 5 – FEES AND COMPENSATION**

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#### **Investment Management Fees and Compensation**

Our Firm charges an advisory fee as compensation for providing Investment Management services on your account(s). The services included in our discretionary management of accounts include trade entry, investment supervision, and other account-maintenance activities. The client's custodian(s) charges transaction costs, commissions, custodial fees, redemption fees, retirement plan and administrative fees, or commissions. Our Firm's financial planning services are included in the advisory fees outlined below. See Additional Fees and Expenses below for more details.

Our annual Investment Advisory Fee will be calculated based on a percentage of assets under our management and paid to our Firm each calendar quarter. Our Firm bills in

arrears based on the average daily value of your account(s) (calculated based on the account(s) value at the end of each day). Fees are assessed on all assets under management, including securities, cash, and money market balances.

Our investment advisory fees are an annual percentage of assets under management and outlined in the fee schedule below. We may negotiate a lower advisory fee. The specific advisory fees are set forth in your Investment Management Agreement. Financial planning fees are included in our investment management service fee.

MARKET VALUE OF ACCOUNT	ANNUAL ADVISORY FEE
First \$1,000,000	0.90%
Next \$1,000,000	0.80%
Next \$1,000,000	0.70%
Next \$2,000,000	0.60%
All Remaining Assets	0.50%

Unless otherwise instructed by the client, we will aggregate related client accounts for the purposes of determining the amount of assets and annualized fee. This common practice is often referred to as “householding” accounts for fee purposes and may result in lower fees than if fees were calculated on accounts separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions may also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for our advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account(s) held by the qualified custodian. At our discretion, you may pay the advisory fees directly to our Firm by check. Further, the qualified custodian agrees to deliver account statements to you on a quarterly basis indicating all the amounts deducted from your account(s) including our advisory fees.

Either party giving written or verbal notice to the other may cancel the Investment Management Agreement at any time for any reason. Notice given by the client shall be effective upon actual receipt by JHP at the address specified on the Investment Management Agreement or the then current address. The advisory fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the earned fee will be billed to your account(s) as indicated in your Agreement. Upon termination, you are responsible for monitoring the securities in your account(s), and we will have no further obligation to act or advise with respect to those assets. In the event of a client’s death or disability, our Firm will continue management of the account(s) until we are notified of the client’s death or disability and given alternative instructions by an authorized party.

*In no case are our fees based on, or related to, the performance of your funds or investments. Lower fees for comparable services may be available from other sources.*

### **Additional Fees and Expenses**

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed by a mutual fund or ETF in a client’s account(s), as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), 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. Our brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our Firm does not share in any of these additional fees and expenses outlined above.

### **Non-Transaction Fee (“NTF”) Mutual Funds**

When selecting investments for client accounts we might choose mutual funds on the custodian’s Non-Transaction Fee list. This means that your account(s) custodian will not charge a transaction fee associated with the purchase or sale (if certain conditions are met) of the mutual fund.

The mutual fund companies that choose to participate in your custodian’s NTF fund program pay a fee to be included in the list. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of our Firm. When we decide whether to choose a fund from your custodian’s NTF list or not, we consider our expected holding period of the fund, the position size, and the expense ratio of the fund versus alternative funds. Depending on our analysis and future events, NTF funds might not always be in your best interest.

### **Administrative Services Provided by Orion**

We have contracted with Orion to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, taxable transaction reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Orion will have access to client information, but Orion will not serve as an investment adviser to our clients. JHP and Orion are non-affiliated companies. Orion charges our Firm an annual fee for each account administered by Orion. Please note that the advisory fee charged to the client will not increase due to the annual fee JHP pays to Orion, the annual fee is paid from the portion of the advisory fee retained by our Firm.



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**ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts (so-called performance-based fees) nor engage in side-by-side management.

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**ITEM 7 – TYPES OF CLIENTS**

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We provide investment advice to individuals and high net worth individuals. We do not require a minimum account size for opening/maintaining an account with our Firm.

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**ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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JHP may use the following methods of analysis and investment strategies in managing client accounts, provided that such analysis and strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizon, among other considerations.

**Methods of Analysis**

At JHP, we take a systematic and methodical approach to investing. We screen the investable universe for a unique set of securities that embodies our investment philosophy. Stocks provide growth for our risk allocation and bonds provide safety and stability. JHP will rely on leading industry and academic research to help inform its investment philosophy. We use a variety of financial and economic sources to study various asset classes, which may include third-party academic research materials, financial newspapers and magazines, corporate rating services and corporate annual reports, prospectuses, and regulatory filings. We continually assess the respective return/risk characteristics of each security bought and sold.

**Investment Strategies**

At JHP, our asset allocation targets are the embodiment of a core and explore investment philosophy. The targets range from aggressive to conservative and cater to a wide range of risk tolerances and time horizons. Each asset allocation target is composed of a blend of stocks and bonds, executed with Institutional Share Class mutual funds (where available/appropriate) and ETFs. JHP is fully independent, and continually examines the investable universe for the best possible investments to include in our asset allocations.

**Risk of Loss**

Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients should be prepared to bear investment loss including loss of original principal. Clients must also understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services can or will predict future results; successfully identify market tops or bottoms; or insulate you from losses due to market corrections or declines. Clients should be aware that accounts are subject, but not limited, to the following risks:

- **Active Management Risk:** Due to its active management, accounts could underperform other accounts with similar investment objectives and/or strategies.
- **Allocation Risk:** Accounts may use an asset allocation strategy in pursuit of their investment objectives. There is a risk that accounts allocation among asset classes or investments will cause accounts to lose value or cause them to underperform other accounts with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.
- **Cybersecurity Risk:** Cybersecurity risks include both intentional and unintentional events at our Firm or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.
- **Market and Timing Risk:** Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.
- **Sector/Region Risk:** The risk that the asset allocation target's concentration in equities or bonds in a specific sector or industry will cause the asset allocation target to be more exposed to the price movements in and developments affecting that sector.
- **Event Risk:** The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.
- **Capitalization Risk:** Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services. Their stocks have

historically been more volatile than the stocks of larger, more established companies.

- **Exchange-Traded Fund (“ETF”) and Mutual Fund Risk:** Investments in ETFs and mutual funds have unique characteristics, including, but not limited to, the ETF’s or mutual fund’s expense structure. Investors of ETFs and mutual funds held within JHP accounts bear both their JHP’s advisory expenses and, indirectly, the ETF’s or mutual fund’s expenses. Because the expenses and costs of an underlying ETF or mutual fund are shared by its investors, redemptions by other investors in the ETF or mutual fund could result in decreased economies of scale and increased operating expenses for such ETF or mutual fund. Additionally, the ETF or mutual fund may not achieve its investment objective. Actively managed ETFs or mutual funds may experience significant drift from their stated benchmark.
- **Market Risk:** When the stock market strongly favors a particular style of equity investing, some or all of JHP’s asset allocation targets could underperform. The performance of clients’ accounts could suffer when JHP’s particular investment style(s) are out of favor. For example, JHP’s large-cap equity asset allocation targets could underperform when the market favors smaller capitalization stocks. JHP’s asset allocation targets with exposure to small/mid-cap stocks could underperform when the market favors larger capitalization stocks. Additionally, growth securities could underperform when the market favors value securities.
- **Sector Risk:** At times, accounts may have a significant portion of their assets invested in securities of companies conducting business in a related group of industries within an economic sector. Companies in the same economic sector may be similarly affected by economic, regulatory, political or market events or conditions, which make accounts more vulnerable to unfavorable developments in that economic sector than accounts that invest more broadly. Generally, the more accounts diversify their investments, the more they spread risk and potentially reduces the risks of loss and volatility.

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#### ITEM 9 – DISCIPLINARY INFORMATION

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We do not have any legal or disciplinary events to report.

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#### ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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The following related person is an affiliated Investment Adviser under common ownership with some of our Firm’s management persons: *CorEx Portfolios, LLC (“CorEx”)*.

CorEx is an Investment Adviser registered with the State of Colorado offering investment advisory services to individuals, high net worth individuals, and trusts. This presents a conflict of interest because these management persons earn additional compensation and spend some of their time at the other firm. However, JHP and CorEx remain separate and

independent from each other. There is no shared revenue and no shared clients between the two firms.

Our Firm nor any of its management persons are registered, or have an application pending to register as a:

- i. broker-dealer or a registered representative of a broker-dealer.
- ii. futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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**ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

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We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our supervised persons to help mitigate conflicts of interest. The Code of Ethics addresses, among other things, personal trading, gifts, and the prohibition against the use of inside information. The Code of Ethics is designed to protect our clients; to detect and deter misconduct; educate personnel regarding the firm's expectations and laws governing their conduct; remind personnel that they are in a position of trust and must act with complete propriety at all times; protect the reputation of our Firm; guard against violation of the securities laws; and establish procedures for personnel to follow so that we may determine whether personnel are complying with the firm's ethical principles. JHP will provide a copy of our Code of Ethics to any client or prospective client upon request. Our firm can be contacted at the telephone number on the cover page of this Part 2 Brochure; Attention: Chief Compliance Officer.

Neither our Firm nor its related person recommends to clients, or buys or sells for client accounts, securities in which our Firm or its related person has a material financial interest.

Our Firm and its related person allow their supervised persons to invest for their own account(s) or to have a financial investment in the same securities or other investments that we recommend or acquire for your account(s) and may engage in transactions at or about the same time as transactions made in your account(s). This presents a conflict of interest because the supervised persons have an incentive to favor their own account(s) over your advisory account(s). We recognize the fiduciary responsibility to act in your best interest and have established the following policies to mitigate conflicts of interest.

1. No supervised person shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual.

3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account(s).
4. We require that all supervised persons must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised person not in observance of the above may be subject to termination.

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## **ITEM 12 – BROKERAGE PRACTICES**

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Clients must maintain assets in an account at a “qualified custodian,” generally a broker-dealer or bank. We generally recommend that our clients use Charles Schwab & Co., Inc. Advisor Services (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities as instructed. In some cases, our Firm may recommend establishing your account(s) with a firm other than Schwab to maintain custody of your assets.

While we recommend that clients use Schwab as Custodian, the client must decide whether to do so and open their account(s) with Schwab or any other custodian by entering into account agreements directly with them. The client opens their account(s) directly with the Custodian. The account(s) will always be held in the name of the client and never in JHP's or the Investment Advisor Representative's name.

### ***How We Select Custodians***

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody).
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts).
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.).
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.).
5. Availability of investment research and tools that assist us in making investment decisions.
6. Quality of services.
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices.
8. Reputation, financial strength, and stability.

9. Prior service to JHP Advisors and our other clients.
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab).

### ***Client Brokerage and Custody Costs***

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. On occasion, a client may be charged fees to custody alternative investments held outside of Schwab. Schwab receives compensation by charging commissions, ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

### ***Products and Services Available to Us from Schwab***

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like ours. They provide JHP and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits. This is a conflict of interest because receipt of these benefits create an incentive to recommend Schwab as our Custodian. We have established policies in this regard to mitigate any conflicts of interest. We believe that our selection of Schwab as custodian and broker is in the best interests of clients. JHP Advisors will at all times act in the best interest of their clients and act as a fiduciary in carrying out services to clients. Following is a more detailed description of Schwab's support services.

### ***Services That Benefit Our Clients***

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

### ***Services That May Not Directly Benefit Our Clients***

Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both

Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements).
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
3. Provide pricing and other market data.
4. Facilitate payment of our fees from our clients' accounts.
5. Assist with back-office functions, recordkeeping, and client reporting.

### ***Services That Generally Benefit Only Us***

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

1. Educational conferences and events.
2. Consulting on technology, compliance, legal, and business needs.
3. Publications and conferences on practice management and business succession.
4. Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### ***Our Interest in Schwab's Services***

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services, and other benefits provided by Schwab benefit JHP and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to our duty to seek best execution and our other fiduciary duties. Schwab's execution quality may be different than other Custodians. JHP annually reviews the relationship between Schwab, JHP, and the client in order to determine if the custodial relationship is in the best interest of the client.

### **Aggregation and Allocation of Transactions**

Generally, we make trades on an individual account basis so that we may address clients' unique circumstances; however, at times we may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and the terms defined in the client Investment Management Agreement. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We may aggregate trades for ourselves or our supervised persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Management Agreement with you for which trades are being aggregated;
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client's participation in the transaction;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the allocation will be distributed to participating accounts on a pro-rata basis;
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by the Chief Compliance Officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account;
7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and,
8. Individual advice and treatment will be accorded to each advisory client.

### **Trade Errors**

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the custodian ourselves or we may work with the Custodian to help facilitate a correcting trade in your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same



error involved other client accounts that should have received the gain; it is not permissible for you to retain the gain; or we confer with you and you decide to forgo the gain (e.g. due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. is the Custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs that is \$100 or greater, we will cover the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **Directed Brokerage**

We do not routinely recommend, request or require that you direct us to execute transactions through a specified broker-dealer. Additionally, we typically do not permit you to direct brokerage. We place trades for your account(s) subject to our duty to seek best execution and other fiduciary duties.

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## **ITEM 13 – REVIEW OF ACCOUNTS**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

Our Investment Adviser Representatives will monitor client accounts on at least a semi-annual basis, and perform annual reviews with each client. During our annual review with the client we will confirm if there have been changes to their financial profile. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. Documentation of reviews is maintained. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### **Statements and Reports**

The custodian for client accounts will provide clients with an account statement at least quarterly. Clients receive a JHP-prepared written report detailing their current positions, asset allocation, and year-to-date performance on an annual basis. You are urged to compare the reports provided by our Firm against the account statements you receive directly from your account custodian. Please notify JHP of any discrepancies.

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## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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Our Firm and its related person do not directly or indirectly compensate any person who is not a supervised person of our Firm nor receive any compensation for any client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The

availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

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#### **ITEM 15 – CUSTODY**

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Custody has been defined by regulators as having access or control over client funds and/or securities. Our Firm does not have *physical custody*, as it applies to investment advisors.

##### **Deduction of Advisory Fees**

Our Firm has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. For all accounts, our Firm has the authority to have fees deducted directly from client accounts. Our Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. The client or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Each time a fee is to be directly deducted from a client account, our Firm will send the qualified custodian a statement containing the account number and the amount of the fee to be deducted from each client account. In addition, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the account statements received from the qualified custodian with those received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of advisory fees.

##### **Standing Letters of Authorization ("SLOA")**

Our Firm is also deemed to have custody of clients' funds or securities when clients have standing letters of authorization with their custodian to move money from a client's account to a third-party ("SLOA") and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards

intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the accounts, are delivered directly from the qualified custodian to each client or to the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the account statements received from the qualified custodian with those received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement.

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#### **ITEM 16 – INVESTMENT DISCRETION**

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For discretionary accounts, prior to engaging our Firm to provide investment advisory services, you will enter into a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with your agreed upon asset allocation target, investment objectives, and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable JHP, in its sole discretion, without prior consultation with or ratification by you, to buy, sell, exchange and trade securities in and for your account(s). We are authorized, in our discretion and without prior consultation with you to: (1) determine which securities (e.g., stocks, bonds, and other securities or assets) to buy, sell, exchange, and trade; (2) determine the amounts of securities to buy, sell, exchange, and trade; and, (3) place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client on our Investment Management Agreement, Appendix B. You may change/amend these limitations upon written notice to JHP.

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#### **ITEM 17 – VOTING CLIENT SECURITIES**

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We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the Custodian's account documents. You must ensure that proxy materials are sent directly, by the Custodian, to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at 720-580-0597.

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#### **ITEM 18 – FINANCIAL INFORMATION**

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We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.