



## **Dodds Wealth, LLC**

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**August 16, 2023**

### **Part 2A Brochure**

This brochure provides information about the qualifications and business practices of Dodds Wealth, LLC ("Dodds Wealth"). If you have any questions about the contents of this brochure, please contact us at 303-539-3900. 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. Dodds Wealth, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Dodds Wealth, LLC 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. The IARD number for Dodds Wealth, LLC is 323632.

## ITEM 2 – MATERIAL CHANGES

### SUMMARY OF MATERIAL CHANGES

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).

The following material changes have occurred since the July 1, 2023 other than annual amendment filing:

- **None**

Currently, a free copy of our Brochure may be requested by contacting John Michael Dodds, Chief Compliance Officer of Dodds Wealth at 303-539-3900.

We encourage you to read this document in its entirety.

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## ITEM 4 – ADVISORY BUSINESS

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

Dodds Wealth, LLC applied for SEC registration in October 2022. The principal owners are Andrew Dodds, John Michael Dodds, Deanna Meyer, and Brennan Pate. John Michael Dodds is the Chief Compliance Officer of the Firm.

We are committed to helping clients build, manage, and preserve their wealth. Our Firm provides services that help clients to achieve their stated financial goals. We will offer initial complimentary meetings upon our discretion; however, investment advisory services are initiated only after you and Dodds Wealth execute an Investment Management Agreement (“Agreement”).

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### INVESTMENT MANAGEMENT AND SUPERVISION SERVICES

We manage advisory accounts on a discretionary and non-discretionary basis. For discretionary accounts, once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent but within the expected investment guidelines. Account supervision is guided by the client’s written profile and investment plan. We will accept accounts with certain trading restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), no-load or load-waived mutual funds in accordance with their stated investment objectives.

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 client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and 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 types of investments to be included in a client’s portfolio and have allocated the assets, we provide ongoing investment review and management services.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet client financial objectives. We trade these portfolios based on the combination of our market views and client objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives. Clients have

the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities.

If a non-discretionary relationship is in place, calls will be placed presenting the recommendation made and only upon your authorization will any action be taken on your behalf. We do have limited authority to direct the Custodian to deduct our investment advisory fees from accounts, but only with the appropriate written authorization from clients.

Clients may engage us to advise on certain investment products that are not maintained at our Firm's recommended custodian, such as variable life insurance, annuity contracts, and assets held in employer sponsored retirement plans. Where appropriate, we provide advice about any type of held away account that is part of a client portfolio.

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 an account's performance. This could result in capital losses in your account.

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#### **FINANCIAL PLANNING**

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 will offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and family legacy objectives. Our team partners with our client's other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing your 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.
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk, and liquidity

factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention.

- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits; and
- Crafting and implementation of, in conjunction with your estate and/or corporate attorneys as tax advisor, an estate plan to provide for you and/or your heirs in the event of an incapacity or death.

A written evaluation of each client's initial situation or Financial Plan is provided to the client.

In addition, our Firm offers an ongoing financial plan subscription service primarily for those younger professionals in the wealth accumulation stage. These subscription services allow our IARs to meet with clients on a quarterly basis to review and update planning strategies that have been provided to them in their customized Financial Plans. During the term of a subscription agreement, clients will receive a minimum of four total consultations during each 12- month period of the term of their consulting subscription contract (which is prorated for periods of less than 12 months) that will allow our Firm and its IARs to, among other things: (i) gain additional understanding of the client's financial circumstances, objectives, and needs and, if necessary, obtain relevant documentation; (ii) gain an understanding of the key financial matters the client would like to address during the term of their financial planning subscription agreement; (iii) provide general investment advice and guidance regarding the key financial matters the client would like to address; and (iv) provide timely investment advice and guidance regarding current matters impacting the client's financial life.

Additionally, all financial planning subscription clients have reasonable access to their IAR throughout the term of their financial planning subscription agreement that allows them to seek additional timely investment advice and guidance from their IAR regarding significant financial decisions, significant life events, financial concerns, and other important matters impacting their financial life.

Financial planning subscription contracts do not require Dodds Wealth or your IAR to provide any other oversight or ongoing asset management or portfolio management services, including security or other investment product recommendations or selections, with respect to your accounts with our Firm or other financial services firms or the securities and other products you purchase and hold in any such accounts. If you would like Dodds Wealth to provide you with account monitoring, account oversight, or ongoing asset management or portfolio management services, you should speak with your IAR regarding our Firm's fee-based investment advisory programs and services.

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**SUB-ADVISORY SERVICES**

Our firm may determine that engaging the expertise of an independent sub-advisor is best suited for your account. Our firm will have discretion to utilize independent third-party investment adviser to aid in the implementation of investment strategies for your portfolio. In certain circumstances, we may allocate a portion of a portfolio to an independent third-party investment adviser (“Manager”) for separate account management based upon your individual circumstances and objectives, including, but not limited to, your account size and tax circumstances. Upon the recognition of such situations, in coordination with you, we will hire a Manager for the management of those assets. These advisers shall assist our Firm in managing the day-to-day investment operations of the various allocations, shall determine the composition of the investments comprising the allocation, shall determine what securities and other assets of the allocation will be acquired, held, disposed of, or loaned in conformity with the written investment objectives, policies and restrictions and other statements of each client comprising the allocation, or as instructed by our Firm.

Managers selected for your investments need to meet several quantitative and qualitative criteria established by us. Among the criteria that may be considered are the Manager’s experience, assets under management, performance record, client retention, the level of client services provided, investment style, buy and sell disciplines, capitalization level, and the general investment process.

You are advised and should understand that:

- A Manager’s past performance is no guarantee of future results;
- There is a certain market and/or interest rate risk which may adversely affect any Manager’s objectives and strategies, and could cause a loss in a Client’s account(s); and
- Client risk parameters or comparative index selections provided to our firm are guidelines only and there is no guarantee that they will be met or not be exceeded.

Managers may take discretionary authority to determine the securities to be purchased and sold for the client. As stated in the Investment Management Agreement, our Firm and its associated persons will have discretionary authority to hire and fire the Manager. Our firm will work with the sub-advisor to communicate any trading restrictions or standing instructions to refrain from a particular industry requested by the Client. In all cases, trading restrictions will depend on the sub-advisor and their ability to accommodate such restrictions.

All performance reporting will be the responsibility of the respective Manager. Such performance reports will be provided directly to you and our firm. Disclosures will indicate what firm is providing the reporting.

All third-party Managers to whom we will recommend for clients will be licensed as registered investment advisors by their resident state and any applicable jurisdictions or registered investment advisors with the Securities and Exchange Commission. A complete description of the Manager's services, fee schedules and account minimums will be disclosed in the Manager's Form ADV or similar Disclosure Brochure.

We review the performance of our Managers on at least a quarterly basis. More frequent reviews may be triggered by changes in Manager's management, performance, or geopolitical and macroeconomic specific events. Our Firm only enters into only a select number of relationships with Managers.

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**WRAP FEE PROGRAM**

Our Firm provides its advisory services as part of a wrap fee program. A wrap fee program is an arrangement where brokerage commissions and transaction costs are absorbed by the Firm. The fee covers transaction costs or commissions resulting from the management of your accounts. Participants in the Program may pay a higher aggregate fee than if brokerage services are purchased separately. Additional information about the Program is available in Dodds Wealth's Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV. Our "wrap" fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately.

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**LPL FINANCIAL SPONSORED ADVISORY PROGRAMS**

We may provide advisory services through certain programs sponsored by LPL Financial LLC ("LPL"), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to our Firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the program account packet (which includes the account agreement and LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

All client accounts managed by our firm will utilize the LPL SWM II account program. Although clients do not pay a transaction charge for transactions in a SWM II account, clients should be aware that our Firm pays LPL transaction charges for those transactions.



Custodians such as LPL are compensated for their services which include, but are not limited to execution, custody, and reporting. LPL can charge a fixed percentage fee for its services based upon the dollar amount of the assets placed in its custody and/or on their platform (for example: if LPL was to charge an annual percentage of the market value of the client assets in its custody, the fee would include the execution of all account transactions). This is referred to as an “Asset-Based Fee.” In the alternative, rather than a fixed percentage fee based upon the market value of the assets in its custody, LPL could charge a separate fee for the execution of each transaction. This is referred to as a “Transaction-Based Fee.” Under a Transaction Based fee, the amount of total fees charged to the client account for trade execution will vary depending upon the number of transactions that are placed for the account. Our Firm has entered into an Asset Based Pricing (“ABP”) arrangement with LPL Financial, which covers all program transaction fees, including ticket charges, commissions, and other charges for trading and custody. Because our Firm cannot predict the markets and the amount of trading that will occur in a client account, our Firm generally favors Asset-Based pricing within its wrap program offering because it will fix the amount of the fee paid in relation to trade execution, regardless of the number of transactions that are placed for the account. Our recommendation that a client enter into an Asset-Based pricing agreement with the account broker-dealer/custodian would depend upon whether, based upon anticipated account size and activity, our Firm reasonably believes that the client would benefit from the available pricing arrangement. However, account investment decisions are often more heavily driven by security selection and anticipated market conditions, as opposed to the amount of commission/transaction fees payable by clients to the account broker-dealer/custodian. However, our Firm, on an annual basis, will conduct a sampling to confirm its belief (given the inability to predict the markets and the corresponding amount of trading that will occur) that Asset-Based pricing continues to be beneficial for its clients.

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#### **RETIREMENT PLAN ADVISORY SERVICES**

Retirement Plan Advisory Services consists of helping employer plan sponsors to establish, monitor and review their company's retirement plan. As the needs of the plan sponsor dictate, areas of advising could include investment selection and monitoring, plan structure, and participant education.

Pursuant to Section 402(c)(3) of ERISA, the client may appoint us as the Plan’s “investment manager” with respect to the Plan’s portfolio of investment options. We acknowledge that we are registered as an investment adviser under the SEC. Our firm acts as a “fiduciary” within the meaning of Section 3(21) and 3(38) of ERISA with respect to the Plan. We offer advisory services to employer sponsored retirement plans such as 401(k), 457, & 403(b). On the plan level, we manage the investment line-up making changes as necessary as well

as providing risk-based investment models for the participants. On the individual participant level, we manage risk-based models using the current investment lineup based on risk tolerance of the individual investor. For employer-sponsored retirement plans with participant-directed investments, our firm provides its advisory services as an investment advisor as defined under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

When serving as an ERISA 3(21) investment adviser, the Plan Sponsor and our Firm share fiduciary responsibility. The Plan Sponsor retains ultimate decision-making authority for the investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Plan Sponsor Investment Management Agreement between our Firm and the Plan Sponsor.

Under the 3(21) agreements, our Firm can provide the following services to the Plan Sponsor:

- Review or Development of an Investment Policy Statement
- Perform Due Diligence on Money Managers
- Provide Initial Investment and Management Selection - Our Firm typically uses mutual funds/managed accounts/collective trusts/cash equivalents to structure portfolios designed to meet client objectives and risk profiles.
- Provide ongoing Performance Evaluation and Monitoring of Money Managers
- Make Investment Recommendations when necessary
- Retirement Plan Services Analysis - Our Firm will conduct an analysis of a clients retirement plan to evaluate the services currently provided to the client by third parties. The areas of analysis may include asset management services, record keeping, administration, customer service, participant education, etc. These services may also include a cost/benefit analysis, recommendation of alternative vendors, facilitation of the RFP process for solicitation of a new vendor, and/or assistance in fee negotiations with proposed vendors.
- Provide Employee Education Services - Our Firm will provide enrollment and educational services the content of the program will be generic in nature.

When servicing as in a 3(38) fiduciary capacity, our Firm is granted full trading authority over the Plan and have the responsibility for the selection and monitoring of all investment options offered under the Plan in accordance with the investment policy statement and its underlying investment objectives and strategies for the Plan. Plan participants have the ability to exercise control over the investment selection from the plans line up of investments, and we have no authority or discretion to direct the investment of assets of any participant’s account under the Plan.

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**CONSULTING SERVICES**

We also provide clients investment advice on a more-limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice or any other business advisory / consulting services for equity or debt investments in privately held businesses. In these cases, clients will be required to select their own investment managers, custodian, and/or insurance companies for the implementation of consulting recommendations. If client needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies, or other financial professionals ("Firms"). Consulting clients must independently evaluate these Firms before opening an account or transacting business and have the right to effect business through any firm they choose. Clients have the right to choose whether or not to follow the consulting advice provided.

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**DISCLOSURE REGARDING ROLLOVER RECOMMENDATIONS**

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.

A client or prospect 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). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage,

which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

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**ASSETS**

As of February 8, 2023, our Firm has \$429,579,097 discretionary assets under management and \$0 non-discretionary assets under management.

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**ITEM 5 - FEES AND COMPENSATION**

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**INVESTMENT MANAGEMENT FEES AND COMPENSATION**

Dodds Wealth charges a fee as compensation for providing Investment Management services on your account. These services include advisory, trade entry, investment supervision, and other account-maintenance activities. As discussed above, all of our advisory clients are managed in our Wrap Fee Program and our Firm has entered into an Asset Based Pricing ("ABP") arrangement with LPL Financial, which covers all program transaction fees, including ticket charges, commissions, and other charges for trading and custody. Because Dodds Wealth cannot predict the markets and the amount of trading that will occur in a client account, Dodds Wealth favors Asset-Based pricing within its wrap program offering because it will fix the amount of the fee paid in relation to trade execution, regardless of the number of transactions that are placed for the account. Also refer to Additional Fees and Expenses below for additional details regarding fees.

The fees for portfolio management are based on an annual percentage of assets under management and are applied to the account asset value on a pro-rata basis and billed quarterly in advance on a three-month billing cycle. Only the initial fee will be in arrears and based upon the date the account is accepted for management by execution of the advisory agreement by Dodds Wealth or when the assets are transferred through a three month-billing cycle. The market value will be determined as reported by the Custodian. Fees are assessed on all assets under management. Cash and money market balances are included in our fee billing. Additional deposits and withdrawals will be added or subtracted from the assets in a prorated basis to adjust the account fee.

Our maximum annual advisory fee for accounts paying a percentage of assets under management is 1.00%. The specific advisory fees are set forth in your Agreement. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated. Our employees and their family related accounts are charged a reduced fee for our services.

Unless otherwise instructed by the client, we will aggregate asset amounts in accounts from your same household together to determine the advisory fee for all your accounts. We would do this, for example, where we also service accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could cause your account(s) to be assessed a lower advisory fee.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement quarterly directly to you indicating all the amounts deducted from the account including our advisory fees. At our discretion, our Firm will allow advisory fees to be paid by check as indicated in the Agreement. You are encouraged to review your account statements for accuracy.

Either Dodds Wealth or you may terminate the management agreement immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given and billed to your account. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, Dodds Wealth will continue management of the account until we are notified of client's death or disability. Once notified, the account will be restricted until alternative instructions are received by an authorized party.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services. In no case are our fees based on, or related to, the performance of your funds or investments.

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**FINANCIAL PLANNING FEES**

For clients engaged in our investment management services, our financial planning services are included in advisory fees described above.

For clients only engaging our Firm for financial planning services only, financial planning is offered under a separate agreement and separate fee. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. Our fee will be agreed in advance of services being performed and negotiated with you. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether you intend to implement any recommendations through Dodds Wealth. Financial Planning fees may be fixed or hourly. The fixed fees range from \$3,000 to \$10,000. Hourly fees are \$250/hour. The specific fee for your financial plan will be discussed with you and specified in your planning agreement with Dodds Wealth.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed and payable at the time the financial plan is delivered to you.

If you choose to terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be billed to you based on the hours that our firm has spent on creating your financial plan prior to termination. The hourly rate used for this purpose is \$250/hour. The hourly rate would be stated in your executed Financial Planning Agreement.

For financial planning subscription contracts, clients pay a flat fee for the full term of their financial planning subscription contract. Financial planning subscription fees are paid in advance in equal installments on either a monthly, quarterly, or semi-annual basis as specified in the client's financial planning subscription agreement. In certain circumstances, IARs charge a one-time fee at the outset of the financial planning subscription engagement that is in addition to the flat subscription fee for the term, for example the fee for the Financial Plan deliverable. Financial planning subscription fees vary depending on, among other things, the complexity of the client's financial situation and goals for the financial planning subscription.

For financial planning subscription services, if the client is dissatisfied with the services they receive as part of their financial planning subscription agreement, Dodds Wealth may, in its sole discretion, refund all or a part of the financial planning subscription fee the client has paid.

We will not require prepayment of more than \$1200 in fees per client, six (6) or more months in advance of providing any services. In no case are our fees based on, or related to, the performance of your funds or investments.

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**SUB-ADVISOR FEES**

As discussed in Item 4 above, there will be occasions where an independent Registered Investment Advisory firm acts as a sub-advisor to our Firm. In those circumstances, the other investment adviser manages the assets based upon the parameters provided by our Firm. Sub-advisory services are billed directly to the client by the independent sub-advisor.

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**RETIREMENT PLAN SERVICES FEES**

For Retirement Plan Advisory Services compensation, we charge an advisory fee as negotiated with the Plan Sponsor and as disclosed in the Employer Sponsored Retirement Plans Consulting Agreement ("Plan Sponsor Agreement").

Typically, the billing period for these fees are paid quarterly. This fee is generally negotiable, but terms and advisory fee is agreed to in advance and acknowledged by the Plan Sponsor through the Plan Sponsor Agreement and/or Plan Provider's account agreement. Fee billing methods vary depending on the Plan Provider. Advisory fees do not exceed \$10,000 annually.

Either our Firm or the Plan Sponsor may terminate the Agreement upon 30 days written notice to the other party. The Plan Sponsor is responsible to pay for services rendered until the termination of the Agreement.

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**CONSULTING**

In addition, Dodds Wealth provides hourly planning services for clients who need advice on a limited scope of work. Dodds Wealth will negotiate consulting fees with you. Fees may vary based on the extent and complexity of the consulting project. The hourly rate for limited scope engagements is \$250. You will be billed monthly as services are rendered.

Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described above.

You should be aware that lower fees for comparable services may be available from other sources.

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**ADMINISTRATIVE SERVICES**

Our Firm utilizes a third party and technology platform to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, the third-party vendor will have access to client information, but will not serve as an investment advisor to our clients. Dodds Wealth and

this third party are non-affiliated companies. This third-party provider charges our Firm an annual fee for each account administered by the third party. The annual fee is paid from the portion of the management fee retained by us.

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**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 trust companies, banks, and other financial institutions (collectively “Financial Institutions”). These additional charges include 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.

Certain investment adviser representatives of our Firm are also associated with LPL Financial as broker-dealer registered representatives (“Dually Registered Persons”). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Dodds Wealth. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from our Firm, you will not receive the benefit of the advice and other services we provide.

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

Our Firm does not engage in performance-based fees. No supervised person is compensated by performance-based fees. Performance-based fees may create an incentive for the advisor to recommend an investment that may carry a higher degree of risk.

**ITEM 7 - TYPES OF CLIENTS**

Our Firm works with the following types of clients: individuals, high net-worth individuals, employer sponsored retirement plans, trusts and estates.

We impose a \$200,000 minimum account value to initiate our Firm’s advisory and money management services, however, this may be waived as deemed appropriate by the Firm.

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

We take an active approach in managing our client’s assets. Each account is rebalanced on either a quarterly, semi-annual, or annual basis. The frequency of rebalancing is based on the account’s time horizon, investment objective current economic climate and tax



situation. While there may be some similarities in the portfolios created by Dodds Wealth, we understand that every client has their own unique planning needs. We have the ability and flexibility to create portfolios to help our client achieve their goals. We may utilize the following forms of analysis:

- **Asset Allocation:** Our primary investment philosophy attempts to identify the appropriate ratio of diversified securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. Our asset allocation strategy de-prioritizes individual security selection. We utilize software to monitor each client's mix of securities, fixed income, and cash. If the ratio drifts outside of our target tolerance, then we will evaluate a rebalance of the portfolio back to the target ratio. In addition, we attempt to rebalance on an annual basis each account back to the target ratio of securities, fixed income, and cash. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that rebalancing a portfolio can generate taxable capital gains. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected will no longer be appropriate for the client's goals.
- **Fundamental Analysis:** We utilize fundamental analysis when evaluating the intrinsic value of a security by looking at economic and financial factors. Those factors include the overall economy, industry conditions, and the financial condition and management of the company itself. We utilize those factors to determine if the company or fund is underpriced or overpriced. Fundamental analysis does not aid in anticipating market movements. As a result, 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/or financial factors evaluated when we considered the investment.
- **Quantitative Analysis:** We utilize quantitative analysis by reviewing mathematical ratios and other performance metrics as part of our due diligence research of a fund manager's investment acumen, idea generation, consistency of purpose and overall ability to match or outperform their stated benchmark through a full market cycle. Additionally, we perform periodic measurements to assess the accuracy and authenticity of a manager's published returns. A risk with quantitative analysis is that the mathematical models and ratios we utilize may be based on assumptions that prove to be incorrect.
- **Technical Analysis:** We use this method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

Technical analysts believe that the historical performance of stocks and markets are indications of future performance. Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

- **Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also monitor the funds or ETFs in attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

- **Model Manager Analysis:** We examine the experience, expertise, investment philosophies, and past performance of Model Managers in attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings,

strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the Model Manager's compliance and business enterprise risks.

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**RISK OF LOSS**

A client's investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involve certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Dodds Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). Dodds Wealth shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform Dodds Wealth of any changes in financial condition, goals or other factors that may affect this analysis.

Our methods rely on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investors should be aware that accounts are subject to the following risks:

- **MARKET RISK** – Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.
- **FOREIGN SECURITIES AND CURRENCY RISK** – Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

- **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.
- **INTEREST RATE RISK** – In a rising rate environment, the value of fixed-income securities generally declines, and the value of equity securities may be adversely affected.
- **CREDIT RISK** – Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and thus, impact the fund's performance.
- **SECURITIES LENDING RISK** – Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.
- **EXCHANGE-TRADED FUNDS** – ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets, and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."
- **PERFORMANCE OF UNDERLYING MANAGERS** – We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.
- **CYBERSECURITY RISK** – In addition to the Material Investment Risks listed above, investing involves various operational and "cybersecurity" risks. These 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, result 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.
- **NON-LIQUID ALTERNATIVE INVESTMENTS** – From time to time, our Firm will recommend to certain qualifying clients that a portion of such clients' assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively,

“Nonliquid Alternative Investments”). Nonliquid Alternative Investments are not suitable for all of our Firm’s clients and are offered only to those qualifying clients for whom our Firm believes such an investment is suitable and in line with their overall investment strategy. Nonliquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), or “qualified client” under the Investment Advisers Act of 1940, or “qualified purchaser” under the Investment Company Act of 1940. Nonliquid Alternative Investments present special risks for our Firm’s clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Nonliquid Alternative Investment invests part or all of its assets in real estate properties, there are additional risks that are unique to real estate investing, including but not limited to: limitations of the appraisal value; the borrower’s financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters. The above list is not exhaustive of all risks related to an investment in Nonliquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Nonliquid Investment is set forth in that fund’s offering documents, which will be provided to each client subscribing to a Nonliquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

- **ENVIRONMENT, SOCIAL GOVERNANCE (ESG) FOCUSED STRATEGY RISKS** – Dodds Wealth manages certain accounts and strategies for which, in addition to incorporating financially material ESG factors into the investment process, Dodds Wealth adopts an explicit emphasis on ESG and/or sustainability attributes of the portfolio. This type of strategy tends to augment the risks associated with incorporated ESG investing and can expose client accounts to additional risks over and above the General ESG Risk described above. In certain situations, the potential social impact may outweigh financial considerations. For example, Dodds Wealth could choose to make an investment that has a lower expected financial return when compared to other possible investments due to ESG considerations, such as where the investment has the potential to have a greater environmental and/or social impact. In addition, Dodds Wealth may reject an opportunity to increase the financial return of an existing investment in order to preserve the environmental and/or social impact of such investment. Further, Dodds Wealth could refrain from disposing of an underperforming investment for a period of time in order to minimize the negative environmental and/or social impact of such disposition. As a result of the foregoing, these portfolios or accounts are subject to the risk that they achieve lower returns than if Dodds Wealth did not adopt an explicit focus on ESG and/or sustainability considerations,

including the environmental and/or social impact of investments and investment-related decisions. Clients should also be aware that their perception of the ESG attributes, or the social and environmental impact, of their investment portfolio may differ from Dodds Wealth's or a third party's assessment of how that portfolio adheres to ESG principles.

## **ITEM 9 - DISCIPLINARY INFORMATION**

We do not have any legal, financial or other "disciplinary" item to report.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **INSURANCE**

Some of our IARs are also licensed insurance agents and sell various life insurance products, long term care and fixed annuities. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. A portion of the time IARs spend (generally 5%) is in connection with these insurance activities and it represents 5% of the ongoing revenue for our IARs. The advisor has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any conflicts of interest.

### **BROKER DEALER**

Dodds Wealth is not a broker/dealer, but our Investment Adviser Representatives ("IAR") are registered representatives of LPL Financial, LLC ("LPL"), a full-service broker-dealer, member FINRA/SIPC, which compensates them for effecting securities transactions. When placing securities transactions through LPL in their capacity as registered representatives, they will earn sales commissions. Investment advisory services and advisory fees are offered separately through Dodds Wealth. Because the IARs are dually registered with LPL and Dodds Wealth, LPL has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. LPL and Dodds Wealth are not affiliated companies. IARs of Dodds Wealth spend a portion their time in connection with broker/dealer activities.

As a broker-dealer, LPL engages in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by Dodds Wealth or its

IARs, investments in securities may be recommended for clients. If LPL is selected as the broker-dealer, LPL and its registered representatives, including IARs of Dodds Wealth, will receive commissions for executing securities transactions.

You are advised that if LPL is selected as the broker-dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through IARs of Dodds Wealth or LPL.

Moreover, you should note that under the rules and regulations of FINRA, LPL has an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require LPL to coordinate with and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisers other than LPL. Accordingly, LPL may limit the use of certain custodial and brokerage arrangements available to clients of Dodds Wealth and LPL may collect, as paying agent of Dodds Wealth, the investment advisory fee remitted to Dodds Wealth by the account custodian. LPL may charge an administrative Fee to the Firm. This charge will not increase the advisory fee you have agreed to pay Dodds Wealth.

IARs of Dodds Wealth, in their capacity as registered representatives of LPL, or as agents appointed with various life, disability or other insurance companies, receive commissions, 12(b)-1 fees, fee trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. However, clients should note that they have the right to decide whether or not to purchase any investment products through Dodds Wealth's representatives.

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**OTHER AFFILIATIONS**

Additionally, management personnel of Dodds Wealth may engage in outside business activities. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of investment advisory Clients. Clients are not under any obligation to engage these individuals when considering implementation of these outside recommendations. The implementation of any or all recommendations is solely at the discretion of the Client.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Neither our firm nor any of its management persons are registered or have an application pending to register as a broker-dealer.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- we disclose to clients that they have the right to decide to purchase recommended investment products from our employees.
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances.
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed.
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm.

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

Our Firm and persons associated with us are allowed to invest for their own accounts, or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict 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 Dodds Wealth, safeguard against the violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the Firm's ethical principles.

We have established the following restrictions in order to ensure our Firm's fiduciary responsibilities:

- No supervised employee of Dodds Wealth shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
- 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 of Dodds Wealth.
- We emphasize the unrestricted right of the client to decline implementation of any advice rendered, except in situations where we are granted discretionary authority of the client's account.
- We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any supervised employee not in observance of the above may be subject to termination.

None of our associated persons may affect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the Firm's procedures.

You may request a complete copy of our Code by contacting us at the address, telephone, or email on the cover page of this Part 2; ATTN: John Michael Dodds, Chief Compliance Officer.

## **ITEM 12 - BROKERAGE PRACTICES**

We have a relationship with LPL Financial ("LPL") member FINRA/SIPC to act as custodian for your account. LPL is an independent and unaffiliated SEC-registered broker-dealer. LPL offers to independent investment Advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. We may recommend that you establish accounts with LPL to maintain custody of your assets and to effect trades for your accounts. Some of the products, services and other benefits provided by LPL benefit us and may not benefit you or your account. Our recommendation/requirement that you place assets with LPL may be based in part on benefits LPL provides us, and not solely on the nature, cost or quality of custody and execution services provided by the custodian.

We are independently owned and operated, and Dodds Wealth is not affiliated with LPL. LPL provides us with access to their institutional trading and custody services. These services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at LPL. We may recommend that you establish accounts with LPL to maintain custody of your assets and to effect trades for your accounts. You have the right to decide whether or not to act upon any recommendations, and if you elect to act upon any recommendations, you have the right to act or not act on placing the transactions through any custodian we recommend. Our recommendation is generally based on the custodian's cost and fees, skills, reputation, dependability, and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to us is not a factor in determining the selection of custodian or the reasonableness of their commissions. LPL's execution quality may be different than other broker-dealers or custodians.

For our client accounts maintained in custody with one of these custodians, the custodians generally do not charge separately for custody but are compensated by account holders through 12b-1 fees and ticket charges.

The custodians we utilize make available to us other products and services that benefit us but may not benefit your accounts in every case, also known as soft dollars. Some of these other products and services assist us in managing and administering your accounts. These include software and technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from your account, and assist with back-office functions, recordkeeping and reporting.

Many of these services generally may be used to service all or a substantial number of our accounts. The custodians also make available to us other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the custodians may make available, arrange and/or pay for these services rendered to us by

third parties. The custodians may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us

While as a fiduciary, we endeavor to act in your best interest, our recommendation that you maintain your assets in accounts at our recommended custodians may be based in part on the benefit to us or the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which creates a conflict of interest. IARs endeavor at all times to put the interest of our clients first as a part of their fiduciary duty.

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**TRADE ERRORS**

We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and we will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. Our Firm will never benefit or profit from trade errors.

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**BROKERAGE FOR CLIENT REFERRALS**

Dodds Wealth does not receive client referrals from any custodian or third party in exchange for using that custodian or third party.

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**AGGREGATION AND ALLOCATION OF TRANSACTIONS**

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 terms defined in the client 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 will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed separately to our existing clients (if any) and the broker/dealer(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 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 accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
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 our 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 because of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

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**DIRECTED BROKERAGE**

We do not routinely 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 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 a regular basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, and performance relative to the appropriate benchmark. 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. You are urged to notify us of any changes in your personal circumstances.

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**STATEMENTS AND REPORTS**

Reports from our Firm are generated for clients on an annual basis or as requested. These reports show the rate of return of accounts under management of Dodds Wealth.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly. You are urged to compare the reports provided by Dodds Wealth against the account statements you receive directly from your account custodian.

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

Our Firm does not accept nor receive compensation for client referrals.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing-expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

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.

**ITEM 15 – CUSTODY**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to

access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), our Firm is deemed to have constructive custody over those client accounts where we are able to deduct our fees directly from the account. As long as we comply with certain regulatory requirements, this constructive custody does not mandate that we undergo a surprise audit for those accounts. Our clients receive account statements directly from the qualified custodian at least quarterly. We also send clients quarterly reports that we produce using our portfolio accounting system. We strongly urge our clients to compare such reports with the statements received from the qualified custodian. Furthermore, when we calculate our investment management fees and instruct the custodian to remit these fees to us directly from clients' accounts, the custodian does not verify our calculation of fees. We perform quarterly testing to ensure that our fees are charged in accordance with the client's Agreement.

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#### **STANDING LETTERS OF AUTHORIZATION – THIRD PARTIES**

Our Firm is deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under "Standing Instructions". All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our Firm has adopted the following safeguards in conjunction with our custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.

- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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

For discretionary accounts, prior to engaging Dodds Wealth to provide investment advisory services, you will enter a written Agreement with us granting the Firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Dodds Wealth, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell, or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the number of securities to be bought or sold, 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.

In some instances, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

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

Our Firm 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 custodial account documents. You must ensure that proxy materials are sent directly

to you or your assigned third party. We do not act 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 proxy solicitation by phone at 303-539-3900.

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

Our Firm does 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.