

## **PART 2A FORM ADV**

### Disclosure Brochure

**FOSTER GROUP**  
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#### **ITEM 1. COVER PAGE**

November 2, 2023

This brochure provides information about the qualifications and business practices of Foster Group, Inc. If you have any questions about the contents of this brochure, please contact us at (515) 226-9000 and [katej@fostergrp.com](mailto:katej@fostergrp.com). 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. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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

## ITEM 2. MATERIAL CHANGES SUMMARY

This brochure provides prospective clients with information about Foster Group, Inc. that should be considered before or at the time of obtaining our advisory services.

This brochure is required to be updated annually or sooner when material changes to our business take place. The following material changes have been made since the last annual amendment dated March 16, 2023.

Beginning in August 2023, Foster Group Inc. started recommending clients open brokerage accounts with Pershing Advisor Services, LLC, a division of BNY Mellon and its affiliates (collectively, “Pershing”). It has amended Items 4, 12 and 14 to reflect this new relationship. Items 12 and 14 have also been amended to discuss the benefits that Foster Group Inc. and its clients receive from Pershing. Item 14 was amended to disclose that Pershing has and may continue to make payments to one or more third-party vendors on Foster Group Inc.’s behalf and the conflicts of interest these payments create.

While immaterial, the following changes have been made to this Form ADV Par 2A Brochure dated November 2, 2023:

- We updated a minimum fee for SignatureWealth offering for new clients.
- Items 12 and 14 have been updated to remove references to TD Ameritrade as custodian as a result of the merger between TD Ameritrade and Charles Schwab.

ANY QUESTIONS, Foster Group Inc.’s Chief Compliance Officer, Kate Juelfs, remains available to address any questions regarding the above changes, or any other issue pertaining to this Brochure.

By no later than April 30<sup>th</sup> each year, we will deliver to you a free updated brochure that includes or is accompanied by a summary of material changes; or a summary of material changes and an offer to provide a copy of the updated brochure and how to obtain it.

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## ITEM 4. ADVISORY BUSINESS

### Firm Description

Foster Group, Inc. ("Advisor") is an investment Advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Advisor has been operating as an investment advisory firm since 1991.

### Principal Owners

Advisor's principal owners are Gerald Ray Foster, Mark Alan Stadtlander, Reed Roger Rinderknecht, Kent Allen Kramer, Gregory John Olsen, Travis James Rychnovsky, Joseph Clarence Bantz, Bradley Dean Rempe, Ross Benjamin Polking, Jonathan Michael Evans, Bartholomew Allen Banwart, Brenton Lowell Carlson, Marcus Lee Iwig, Kate Patricia Juelfs, Andrew Douglas Farmer, Matthew John Abels, Timothy James Mabee, Caleb James Brown, Jason Reed Brown, Brittany Ellen Heard, Matthew David Moklestad, Walter Philip Mozdzer, Stacie Anne Neussendorfer and Sunny Jo Darling Roeder

### Types of Advisory Services

Advisor provides continuous investment supervisory services, furnishes investment advice through consultations, and furnishes advice to clients on matters not involving securities. Advisor provides investment management services to individuals and institutional clients, as well as qualified plan consulting services. Advisor's services also may include financial planning.

Advisor primarily offers advice on mutual funds and exchange-traded funds ("ETFs"). It may consult on other securities owned by clients, such as variable annuities, although Advisor does not sell these securities.

All clients and entities seeking to begin a financial planning and investment management relationship with Advisor are required to sign an Advisory Agreement. The Advisory Agreement establishes the advisory relationship between Advisor and the client.

More specific information regarding Advisor's services is as follows:

## INVESTMENT MANAGEMENT

Advisor's investment advisor representatives meet with each individual or organization to establish the client's short-term and long-range investment goals and objectives. These representatives discuss various model portfolios, including the risk involved and potential return associated with each. Based on these discussions, they formulate a strategy to help accomplish the client's objectives.

Advisor bases the investment philosophy on a long-term perspective, taking into consideration asset allocation and diversification among several asset classes. For investment management clients, Advisor assists the client in implementing an investment strategy, monitors results, and reports to the client on a regular basis. Client assets are held in a custodial account by an independent custodian and broker-dealer.

## INDIVIDUAL SERVICES

The Advisor offers three distinct service offerings for individual clients: CoreWealth, SignatureWealth, and SelectWealth. While the Advisor may recommend an offering for clients, clients remain responsible for determining which offering is best suited for them and the Advisor does not review or monitor the client's selection. Each of these offerings is described further below.

### CoreWealth

CoreWealth is the Advisor's digitally-led investment advisory offering. This offering is designed for clients and prospective clients who generally have fewer assets, less complex financial situations, and more routine sources of income. Whereas SignatureWealth provides the client with a dedicated CFP® Lead Advisor, clients in CoreWealth primarily receive services through digital means with the support of, and access to, other advisors, including CFP® holders. Unlike SignatureWealth, clients will not receive ongoing coordination of any plans resulting from Advisor's services and clients will be responsible for implementing any advice rendered. As part of CoreWealth, the Advisor will make the following services available, in addition to personalized portfolio construction:

- Cash flow planning
- Employee benefits review and integration
- Retirement planning strategies
- Charitable giving tools and strategies
- Education funding tools and strategies
- Insurance review and analysis
- Tax return review
- Estate and transfer planning

### SignatureWealth

SignatureWealth is the Advisor's full-service wealth management offering with personalized portfolio construction and an offering of advanced financial planning in 12 key areas. The Advisor will also coordinate aspects of the client's financial plan although other professionals will be responsible for implementing any plan, unless Advisor or its affiliates agree to do so in writing. As part of SignatureWealth, the Advisor makes the following services available, in addition to personalized portfolio construction:

- Cash flow planning
- Employee benefits review and integration
- Retirement planning strategies
- Charitable giving tools and strategies
- Executive compensation review and analysis
- Closely held business planning
- Education funding tools and strategies
- Insurance review and analysis
- Tax return review
- Estate and transfer planning
- Family education and governance

## SelectWealth

SelectWealth is the Advisor's most customized wealth management offering, tailored to clients with significant complexity and/or size who desire a comprehensive planning approach that may involve multiple family members or stakeholders. Two Lead Advisors serve each SelectWealth client family with personalized portfolio construction and an offering of advanced financial planning in 13 key areas. The Advisor will also coordinate aspects of the client's financial plan although other professionals will be responsible for implementing any plan, unless Advisor or its affiliates agree to do so in writing. SelectWealth clients will work closely with their Advisor to determine a customized set of ancillary services. As part of SelectWealth, the Advisor makes the following services available, in addition to personalized portfolio construction:

- Cash flow planning
- Employee benefits review and integration
- Retirement planning strategies
- Charitable giving tools and strategies
- Executive compensation review and analysis
- Closely held business planning
- Education funding tools and strategies
- Insurance review and analysis
- Tax return review
- Estate and transfer planning
- Family education and governance
- Articulation of family mission, vision, and values

## INSTITUTIONAL SERVICES

Advisor also provides investment management services to its institutional clients. Advisor's primary role with such clients is to assist in determining a suitable allocation for the client's invested portfolio. Advisor will focus initially on several key areas which, depending upon the client's situation and request, may include:

- Identification of the organization's goals and objectives
- Analysis of the organization's return needs
- Analysis of the organization's anticipated distribution requirements
- Selection of appropriate model portfolio allocation and portfolio construction methodology
- Implementation and monitoring of portfolio
- Review and communication of results to client boards, committees and/or executives

## QUALIFIED PLAN CONSULTING SERVICES

Advisor serves as a "fiduciary" as defined in §3(21) of ERISA and will provide investment advice or recommendations as to the management of the assets held in the Client's plan, to plan fiduciaries, plan participants or beneficiaries. Advisor will also monitor the investment options for the investment of a plan's assets, and provide non-discretionary advice regarding the plan's investment options. In such engagements, Advisor will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). These services also may include:

- conducting due-diligence review meetings with Clients on an annual basis.
- periodic meetings with the Client to review analysis of investments.
- conducting enrollment, education and periodic plan review meetings with participants as scheduled or requested
- assisting Clients in obtaining general information about their account including specific questions such as the status of plan

Advisor may provide these Qualified Plan Consulting Services as part of an investment sub-advisory agreement with Savant, LLC dba Savant Wealth Management or through relationships with other custodians.

Advisor may also be engaged to serve as an “investment manager” as defined in §3(38) of ERISA to manage a qualified plan’s assets. Generally, such asset management services consist of managing a retirement plan’s assets consistent with the objectives, written guidelines and/or investment objectives set forth in the written investment policy statement accepted and adopted by the client.

## OTHER CONSULTING SERVICES

Upon request, Advisor may provide investment advice and/or financial planning services on a project or one-time basis.

## MISCELLANEOUS

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

To the extent requested by the client, Advisor will generally provide (subject to exceptions, including for smaller accounts) financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. Advisor will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions do occur based upon assets under management, special projects, stand-alone planning engagements, etc. for which Advisor may charge a separate or additional fee). Please Note: Advisor believes that it is important for the client to address financial planning issues on an ongoing basis. Advisor’s advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Advisor. Please Also Note: Advisor does not serve as an attorney, accountant, or insurance agent, and no portion of Advisor’s services should be construed as same. Accordingly, Advisor does not prepare legal documents, prepare tax returns, or sell insurance products (however, two of Advisor’s representatives, in their separate individual licensed capacities, serve as certified public accountants-see disclosure at Item 10 below). To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). All such engagements (including those of Advisor’s representatives) are separate from the client’s engagement of Advisor. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Advisor and/or its representatives. If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not Advisor, shall be responsible for the supervision, quality and competency of the services provided.

### **Custodian Charges-Additional Fees**

As discussed in Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Advisor generally recommends that Schwab or Pershing (the “Custodians”) serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as the Custodians charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including the Custodians, do not currently charge fees on individual equity transactions, others do). These fees/charges are in addition to Advisor’s investment advisory fee in Item 5 below. Advisor does not receive any portion of these fees/charges. ANY QUESTIONS: Advisor’s Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the above.

### **Portfolio Activity**

Advisor has a fiduciary duty to provide services consistent with the client’s best interest. Advisor will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when Advisor determines that changes to a client’s portfolio are neither necessary, nor prudent. Clients remain subject to the fees described in Item 5 below during periods of account inactivity.

**Other Assets.** To the extent that Advisor provides advisory monitoring or review services for client investment assets for which Advisor does not maintain custodian access or trading authority (including initial and ongoing consideration of such assets as part of the client’s asset allocation), Advisor may determine to include such assets in its advisory fee calculation per Item 5 below.

### **Client Obligations**

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

### **Independent Managers**

Advisor may allocate a portion of the client’s investment assets among unaffiliated independent investment managers in accordance with the client’s designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. Advisor shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Factors that Advisor shall consider in recommending Independent Manager(s) include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The client is under no obligation to engage an Independent Manager(s). The fee charged by the

Independent Manager is in addition to Advisor's investment advisory fee disclosed in Item 5 below. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the allocation of account assets to an Independent Manager(s), including the specific additional fee to be charged by such Independent Manager(s).

**Non-Discretionary Service Limitations.** Clients that determine to engage Advisor on a non-discretionary investment advisory basis must be willing to accept that Advisor cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Advisor would like to make a transaction for a client's account, and client is unavailable, Advisor will be unable to affect the account transaction (as it would for its discretionary clients) without first obtaining the client's consent.

### Availability of Cash Sweep Accounts

Certain cash sweep accounts are available to clients at no additional cost. Cash sweep accounts available include Flourish Cash offered by Stone Ridge Securities LLC, or Cantor Fitzgerald offered by StoneCastle Network, LLC. The cash balance in a Cash Sweep account will be swept from the brokerage account to a deposit account at one or more third-party banks that have agreed to accept deposits from customers of the Cash Sweep program provider ("Program Banks"). The accounts at Program Banks pay a variable rate of interest, but if higher than the client's current account's rate on cash or cash equivalents, the client may want to consider opening an account with the provider.

### Interval Funds/Risks and Limitations

Where appropriate, Advisor may utilize interval funds. An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired. There can also be situations where an interval fund has a limited amount of capacity to repurchase shares, and may not be able to fulfill all purchase orders. In addition, the eventual sale price for the interval fund could be less than the interval fund value on the date that the sale was requested. While an interval fund periodically offers to repurchase a portion of its securities, there is no guarantee that investors may sell their shares at any given time or in the desired amount. As interval funds can expose investors to liquidity risk, investors should consider interval fund shares to be an illiquid investment. Typically, the interval funds are not listed on any securities exchange and are not publicly traded. Thus, there is no secondary market for the fund's shares. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk, and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some, or all, of the investment. There can be **no assurance** that an interval fund investment will prove profitable or successful. **In light of these enhanced risks, a client may direct Advisor, in writing, not to employ any or all such strategies for the client's account.**

### Socially Responsible Investing Limitations

*Socially Responsible Investing* involves the incorporation of Environmental, Social, and Governance considerations into the investment due diligence process ("ESG"). ESG investing incorporates a set of

criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. For clients interested in ESG securities, Advisor will allocate a portion of the client's investment assets to ESG-specific funds in accordance with the client's designated investment objective(s). In such situations, the fund manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. Advisor shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Advisor shall consider in recommending ESG fund advisors include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note.** The investment management fee charged by the ESG fund advisor is separate from, and in addition to, Advisor's investment advisory fee disclosed in Item 5 below. There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Advisor), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful.

#### **Retirement Rollovers-No Obligation/Potential Conflict of Interest**

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 their former employer's plan, if permitted, (ii) roll over the assets to their 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). If Advisor recommends that a client roll over their retirement plan assets into an account to be managed by Advisor, such a recommendation creates a conflict of interest if Advisor will earn new (or increase its current) compensation as a result of the rollover. If Advisor provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Advisor is acting as a fiduciary 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. No client is under any obligation to rollover retirement plan assets to an account managed by Advisor whether it is from an employer's plan or an existing IRA. Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

#### **Use of Mutual and Exchange Traded Funds**

Advisor utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Advisor's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

### Use of DFA Mutual Funds

Advisor utilizes the mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client was to terminate Advisor's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the above.

### Cryptocurrency

For clients who want exposure to cryptocurrencies, including Bitcoin, the Advisor may refer the client to Flourish Crypto, an unaffiliated Turnkey Cryptocurrency Access Solution for registered investment advisers, as a courtesy. Clients will open a cryptocurrency account with Flourish Crypto and Advisor will not advise on Crypto Assets. Cryptocurrency held in a Flourish Crypto account are custodied by, and trading services are provided by, Paxos Trust Company, LLC. Crypto is a digital currency that can be used to buy goods and services but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications with codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Cryptocurrency is currently considered to be a speculative investment.

**Please Note:** Investment in cryptocurrencies is subject to the potential for **liquidity constraints, extreme price volatility and complete loss of principal. Notice to Opt Out.** No client is under any obligation to purchase cryptocurrency from Flourish Crypto and can decide to purchase cryptocurrency through other, non-affiliated cryptocurrency platforms.

### Asset Based Pricing Limitations

Advisor may recommend that clients enter into an asset based pricing agreement with the account broker-dealer/custodian. Under an asset based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of the account, generally expressed in basis points and/or a percentage. One basis point is equal to one one-hundredth of one percent. This differs from transaction-based pricing, which assesses a separate commission/transaction fee against the client's account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by the client to the account custodian. Advisor does not receive any portion of the asset based transaction fees payable by the client to the account custodian. Advisor continues to believe that the clients can benefit from an asset based pricing arrangement. Clients are under no obligation to enter into an asset-based arrangement, and, if the client does, they can request at any time to switch from asset based pricing to transactions based pricing. However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by the client to switch to transaction based pricing could prove to be economically disadvantageous. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions.

### Borrowing Against Assets/Risks

A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral or
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Advisor does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Advisor does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Advisor:

- by taking the loan rather than liquidating assets in the client's account, Advisor continues to earn a fee on such Account assets and
- if the client invests any portion of the loan proceeds in an account to be managed by Advisor, Advisor will receive an advisory fee on the invested amount.

**Please Note:** The client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

**Cybersecurity Risk.** The information technology systems and networks that Advisor and its third-party service providers use to provide services to Advisor's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Advisor's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Advisor are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Advisor has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Advisor does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Reporting Services.** Advisor can also provide, account reporting services, which can incorporate client investment assets though ByAllAccounts or eMoney, that are not part of the assets that Advisor manages (the "Excluded Assets"). Unless agreed to otherwise, **the client and/or their other advisors that maintain trading authority, and not Advisor, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless also agreed to otherwise, Advisor does not provide investment management,

monitoring or implementation services for the Excluded Assets. If the Advisor is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Advisor shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client can engage Advisor to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Advisor and the client.

**Pontera.** Advisor uses Pontera, a third party platform to facilitate the management of held away assets such as defined contribution plan participant accounts, with discretion. Those clients who choose to engage the Advisor to service their held away accounts will be provided a link to connect their outside accounts to the platform. Once the client's account(s) is connected to the platform, the Advisor will review the client's current account allocations. The Advisor will rebalance the connected outside accounts consistent with the client's investment goals and risk tolerance. Client account(s) will be reviewed at least quarterly.

### Assets Under Management

Advisor provides investment advice to clients on a discretionary basis. As of December 31, 2022, Advisor's total regulatory assets under management are as follows:

Discretionary Clients	\$ 2,964,084,793
Non-Discretionary Clients	\$119,210,370
<b>Total</b>	<b>\$ 3,083,295,163</b>

## ITEM 5. FEES AND COMPENSATION

### Description

Advisor is a **fee-only** investment management firm, charging fees based exclusively on client assets under management. Annual fees can be hourly, fixed, and/or a percentage of assets under management. Advisor does not receive any fees that are commission-based (such as sales charges, brokerage commissions or 12b-1 fees from mutual funds) or performance-based. Advisor's standard fee schedule for investment management services are as follows:

#### INDIVIDUAL INVESTMENT MANAGEMENT SERVICES

### CoreWealth

CoreWealth clients are subject to an annual asset-based fee as follows:

<b>Annual Fee</b>
0.85%

Advisor divides the annual fee by four and clients are charged each quarter, in advance. Clients are subject to a minimum quarterly fee of \$300. In the event a client has less than \$141,176<sup>1</sup> of assets in the CoreWealth program, they will pay an annual fee percentage greater than 0.85%.

### SignatureWealth

SignatureWealth clients are subject to an annual asset-based fee as follows:

Assets Under Management	Annual Fee
Up to \$3 million	1.00%
\$3 million - \$5 million	0.80%
\$5 million and above	0.60%

Advisor divides the annual fee by four and clients are charged each quarter, in advance. Clients are subject to a minimum quarterly fee of \$2,500. In the event a client has less than \$1,000,000<sup>2</sup> of assets in the SignatureWealth program, they will pay an annual fee percentage greater than 1.00%.

### SelectWealth

SelectWealth clients are subject to an annual asset-based fee as follows:

Assets Under Management	Annual Fee
Up to \$10 million	0.50%
\$10 million - \$25 million	0.40%
\$25 million - \$50 million	0.30%
\$50 million and above	0.20%

Advisor divides the annual fee by four and clients are charged each quarter, in advance. Client may pay additional fees (retainer) based on customized services. The minimum quarterly fee for SelectWealth clients is \$12,500.

<sup>1</sup> Figure provided for illustrative purposes. Assumes the client's portfolio does not fluctuate in value.

<sup>2</sup> Figure provided for illustrative purposes. Assumes the client's portfolio does not fluctuate in value.

## INSTITUTIONAL INVESTMENT MANAGEMENT SERVICES

Institutional clients are subject to an annual asset-based fee based on the schedule below:

Assets Under Management	Annual Fee
Up to \$1 million	0.75%
\$1 million - \$3 million	0.50%
Next \$2 million - \$20 million	0.20%
In excess of \$20 million	0.10%

Advisor divides the annual fee by four and clients are charged each quarter, in advance. Advisor typically requires Institutional Investment Management clients to place \$500,000 or more under its management. Advisor may, in its discretion, make exceptions to this requirement. Additionally, Institutional Clients are subject to a minimum quarterly fee of \$1,250.

The Advisor's policy is to treat intra-quarter account additions and withdrawals equally unless indicated to the contrary on the Advisor's Investment Advisory Agreement executed by the client. Advisor will prorate billing for inflows or outflows greater than \$50,000 on a daily basis.

## QUALIFIED PLAN CONSULTING SERVICES

An investment sub-advisory agreement with Savant Capital Management governs compensation for Qualified Plan Consulting Services only where Advisor does not serve as "investment manager." Savant Capital Management or other third party advisor will bill the Plan directly for the fees due. Fees are generally payable quarterly, in advance, and are calculated as a percentage of the ending asset value from the previous quarter unless the plan has agreed on another compensation method with the party administrator. This fee compensates Advisor and Savant or other third party advisor as a sub-advisor, for all consulting, investment advisory, fiduciary, and participant education services. Advisor's fee is included in the fee charged by Savant Capital Management or other third party advisor under the investment sub-advisory agreement.

The following is the standard fee schedule charged by Savant Capital Management or other third party advisor per the Qualified Plan Investment sub-advisory agreement:

Qualified Plan Assets Under Management	Annual Fee
Up to \$1 million in plan assets	1.00%
Next \$6 million - \$7 million	0.80%
In excess of \$7 million	0.60%

In excess of \$10 million	0.50%
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Where Advisor serves as “investment manager,” Advisor reserves the right to negotiate its fee and its timing of payment with each retirement plan’s sponsor or trustee(s), but its fee will generally not exceed 1.0%. Additionally, Qualified Plan Clients are subject to a minimum quarterly fee of \$1,250.

## OTHER CONSULTING SERVICES

Upon request, Advisor may provide investment advice and/or financial planning services on a project or one-time basis. Advisor charges fees for this type of service on an hourly basis, typically at an hourly rate of up to \$250. Fees are payable upon the completion of the consulting project.

## FEE BILLING

### Investment Management

Advisor’s standard form of Client Agreement authorizes Advisor to deduct advisory fees automatically from a client’s account on a quarterly basis. Clients paying a minimum fee may have the option to pay by check, ACH, or by credit card. Advisor will send the client’s custodian a quarterly statement reflecting the fees billed and the custodian will send the client a statement, at least quarterly, reflecting all fees deducted from the account. Clients are responsible for verifying the accuracy of the fee calculation, as client’s custodian will not determine whether the fee was properly calculated. Clients will receive monthly reports from their custodians and/or broker/dealers that include confirmation of all securities transactions in their account during that month. Clients should promptly notify Advisor if they fail to receive a quarterly statement from their custodian.

### Qualified Plan Consulting Services

Savant, LLC dba Savant Wealth Management or other third party advisor, as the sub-advisor, is authorized to deduct quarterly advisory fees automatically, from a client’s account. The sub-advisor will send the client’s custodian a quarterly statement reflecting the fees billed, and the custodian will send the client a statement, at least quarterly, reflecting all fees deducted from the account. Client is responsible for verifying the accuracy of the fee calculation, as client’s custodian will not determine whether the fee was properly calculated. Clients will receive monthly reports from their custodians and/or broker/dealers that include confirmation of all securities transactions in their account during that month. Clients promptly should notify Advisor if they fail to receive a quarterly statement from their custodian.

## OTHER FEES AND EXPENSES

### Investment Management and Qualified Plan Consulting Services Fees

Advisor’s fee does not include custodial fees, transaction costs, or other expenses charged by the client’s custodian or broker. Each mutual fund, exchange-traded fund, or investment fund in which the client’s assets may be invested charges its own advisory fee and other fees and expenses, which are set forth in the fund’s prospectus or offering memorandum.

### Ability to Change, Waive or Reduce fees or Minimum Fees

Advisor, in its sole discretion, may reduce or waive its fee or waive or reduce its aggregate account minimum based upon certain criteria for individual clients (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, negotiations with client, etc.).

In addition, Advisor reserves the right to change its fees at any time and without notice as it relates to future clients.

### Fee Dispersion

Advisor, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding advisory fees.

### Margin Accounts: Risks

Advisor does not recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. Advisor does not bill on the margined account value. Please Note: The use of margin can cause significant adverse financial consequences in the event of a market correction. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the use of margin.

## TERMINATION OF ADVISORY AGREEMENT

### Investment Management

Either the client or Advisor may terminate the Investment Advisory Agreement under the following circumstances: 1) by a mutual agreement of both the client and Advisor 2) by either party giving verbal or written notice to the other party specifying the date of termination, with verbal notice being confirmed by written notice within 14 days. Clients who terminate their Agreement will receive a refund of the portion of any fee paid but not yet earned as of the date such notice is received or such later date as may be designated by the client, based on the following formula:

$$\frac{(\text{Days remaining in quarter after termination}) \times (\text{fees paid for the quarter})}{(\text{Total number of days in the quarter})}$$

Less (Any expenses incurred by Advisor, up to and including that date.)

### Qualified Plan Consulting Services

Client may terminate the Investment Advisory Agreement for Qualified Plan Services without penalty: within 90 days of signing the Agreement. Any Advisors' Fees paid by Client will be refunded in full. This Agreement also may be terminated by either Client or the Advisor upon 30 days prior written notice, and Client will receive a refund, within 60 days of the pro-rated portion of any Advisory Fee paid but not yet earned as of the date such notice is received: less any expenses incurred by the Advisor up to and including such date.

## ITEM 6. PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

Advisor is not a party to any performance or incentive-related compensation arrangements with its clients.

## ITEM 7. TYPES OF CLIENTS AND MINIMUM REQUIREMENTS

Advisor generally provides services, which may include investment management and financial planning to individuals, high-net-worth individuals, trusts, estates, corporations, and/or business entities. Advisor also provides investment consulting services to pension and profit-sharing plans.

Advisor has certain minimum investable assets thresholds that have been established to allow Advisor to provide the high level of personal services and attention which Advisor believes the clients deserve. These minimums are discussed above in Item 5. Advisor, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. Please Also Note: In the event that the client is subject to an annual minimum fee, the client could pay a higher percentage fee than referenced above. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding advisory fees.

## ITEM 8. METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Methods of Analysis

Advisor's method of security analysis is primarily fundamental, although Advisor may employ a wide range of methods to manage portfolios and evaluate investments. Advisor's analysis is based on sources of information from industry tools, academic research materials, corporate rating services, financial publications, annual reports, prospectuses, and filings with the SEC.

Advisor's investment philosophy is grounded in academic research including Modern Portfolio Theory, which refers to the process of reducing risk in a portfolio through systematic diversification across and within asset classes. Advisor typically adheres to strategic asset class style of investing and, thus, recommends asset-class mutual funds and exchange-traded funds. Advisor typically does not recommend individual stocks or bonds in its asset allocation strategies and portfolio recommendations to clients.

Advisor analyzes mutual funds recommended to clients based on the fund's management style, total operating expenses, portfolio turnover, risk and return metrics, investment objective, and investment restrictions and limitations. Advisor typically recommends that clients invest in no-load institutional mutual funds and exchange traded funds that have low operating expenses, low portfolio turnover, below-average capital gains distributions, and a fundamental investment objective of investing in a particular asset class. DFA funds generally are available for investment only by clients of registered investment advisors, and all investments are subject to approval of Advisor. This means that clients may not be able to make additional investments in DFA funds if clients terminate their agreement with Advisor, except through another Advisor authorized by DFA. In addition, clients may be able to invest in funds used by or similar to the ones used by Advisor. However, if a client or prospective client determined to do so, they would not receive Advisor's initial and ongoing services.

Advisor believes in diversified asset-class exposure obtained primarily through a diversified mix of low-cost mutual funds and exchange traded funds that represent desired asset classes. The funds recommended by Advisor typically invest in some or all of the following types of securities:

- U.S. Stocks of any market capitalization
- Foreign Stocks of any market capitalization, including Emerging Markets
- Investment Grade and Below Investment Grade Fixed Income Securities
- U.S. Government and Government Agency Securities
- Real Estate Investment Trusts (Domestic and Foreign)
- Money market funds

### Principal Investment Strategies

Asset allocation models recommended to clients typically are set forth in the client's Investment Objectives Confirmation. Advisor primarily recommends low-cost mutual funds and exchange traded funds for the reason that mutual funds can provide a diversified portfolio that is designed to and may limit the impact of potential large fluctuations in values of individual stocks and bonds. Mutual funds and exchange traded funds do not offer protection from market volatility. At times, different funds may be recommended to improve client portfolios. Upon the request of a client, Advisor may provide a limited review of client assets for which Advisor does not have discretionary authority in the context of the overall plan. Advisor invests for the long-term and does not engage in market timing.

Advisor generally does not recommend individual stocks or bonds, but certain exceptions may be made in cases where the stocks were obtained before becoming a client or are requested by the client. Advisor monitors individual stock exposure in the overall portfolio.

Advisor may give advice and take action with respect to other clients that is different from the advice, timing, and nature of action taken with respect to another client account. Advisor determines timing, allocation, and types of investments as part of each client's overall financial plan.

Advisor typically uses long-term investment strategies to implement investment advice given to clients. A long-term purchase strategy generally assumes the financial markets will provide positive returns in the long-term, which may not be the case. There also is a risk that certain segments of the market that a client is invested in will

go down over time even if overall financial markets advance. (Purchasing long-term investments may involve an opportunity cost – that of “locking-up” assets that may be better utilized in the short-term for other investments.)

There are many factors that can have a significant effect on financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) which may have a smaller impact over longer periods of times.

### **Principal Investment Risks**

**Investing in securities involves risk of loss that clients should be prepared to bear.** Risk refers to the possibility that a client will lose money (both principal and any earnings) or fail to make money on an investment. Advisor cannot guarantee that it will achieve a client's investment objective. Below are some of the more specific risks of investments which Advisor may recommend to clients:

#### **1. Market Risk**

The prices of securities held by mutual funds and exchange traded funds may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; and currency, interest rate, and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

#### **2. Management Risk**

Advisor's investment approach may fail to produce the intended results. If Advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the client's portfolio may suffer.

#### **3. Equity Risk**

Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small-and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies also may have lower trading volumes, which may disproportionately affect their market price. This can make them fall more in response to selling pressure than is the case with larger companies.

#### **4. Fixed Income Risk**

The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease.

#### **5. Investment Companies Risk**

A client who invests in open end mutual funds or ETFs, indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, which may be

duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs also are subject to the various risks. An ETF's shares may trade at a market price that is above or below their net asset value. Advisor trading of an ETF's shares may be halted if: (i) the listing exchange's officials deem such action appropriate; (ii) the shares are de-listed from the exchange; or (iii) the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Advisor has no control over the risks taken by the underlying funds in which client invests.

Advisor may use mutual funds and/or exchange traded funds that provide for limited liquidity, such as interval funds that provide redemption on a quarterly basis. These funds may not be sold or transferred immediately or at a time that a client desires. A client may direct Advisor, in writing, not to recommend or purchase these types of funds.

#### **6. REIT (Real Estate Investment Trust) Risk**

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

#### **7. Derivatives Risk**

Funds in a client's portfolio may use derivative instruments. The value of these derivative instruments is based on the value of an underlying asset, currency, or index. Investments by a fund in such underlying instruments may involve the risk that the value of the underlying fund's derivatives may rise or fall more rapidly than other investments, and the risk that a fund may lose more than the amount that it invested in the derivative instrument in the first place. Derivative instruments also involve the risk that other parties to the derivative contract may fail to meet their obligations, which could cause losses.

#### **8. Foreign Securities Risk**

Some funds may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations, and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets, and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

## 8. Inactivity Risk

As part of its investment advisory services, Advisor will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to: investment performance, mutual fund manager tenure, style drift, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Advisor determines that changes to a client's portfolio are neither necessary nor prudent.

## ITEM 9. DISCIPLINARY INFORMATION

Advisor has no material legal or disciplinary events to report.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Advisor's sole business and source of income is providing investment management, financial planning, and qualified plan consulting services. Advisor does not take part in any other type of business.

Advisor is not owned or controlled by, or under common control with, any other company. We have no obligation to use a particular broker/dealer, vendor, or investment product.

Advisor is a member of Zero Alpha Group, LLC, a consortium of registered investment Advisors across the U.S. who advocate the Modern Portfolio Theory of investment management. Zero Alpha Group members are geographically diverse, meeting at least biannually to share investment information, strategic and marketing plans, and research related to Modern Portfolio Theory and passive investment management techniques. Zero Alpha Group also may negotiate with mutual fund companies and broker-dealers to obtain lower cost investment services on behalf of the members' respective clients.

Advisor has contracted with Savant, LLC dba Savant Wealth Management, a Delaware Corporation and a Registered Investment Advisor, to provide Qualified Plan Investment Advisory Services to some of Advisor's Qualified Plan Consulting Services clients. Savant, LLC dba Savant Wealth Management may be retained by the client as a 3(38) Fiduciary (a discretionary advisor under ERISA Section 3(38)) with full authority over investment decisions within the plan including the selection, monitoring, and replacement of investment options. Advisor may be retained as a Limited Scope 3(21) Fiduciary to the client, recommending the investment advisor, serving in a co-fiduciary capacity, sharing non-discretionary authority over the investment decisions, assisting with the monitoring and maintenance of the investment menu, as well as the education efforts of the Participants, within the scope of ERISA Section 3(21). Fees for this arrangement are governed by the sub-advisory agreement between Advisor and Savant, LLC dba Savant Wealth Management.

Advisor's representative, Bartholomew A. Banwart, CPA, also provides tax and accounting services in his separate individual capacity as a CPA, independent of Advisor. His tax and accounting services are primarily provided to individuals, some of whom may also be Advisor clients. The tax and accounting services provided by Mr. Banwart are separate and distinct from Advisor's advisory services. Advisor does not receive any compensation from Mr. Banwart relative to his tax and accounting services. No Advisor client is obligated to use or engage Mr. Banwart for tax or accounting services. His services do not include the authority to sign checks or otherwise disburse funds on any Advisor advisory client's behalf.

## ITEM 11. CODE OF ETHICS, INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

Advisor has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is based on the principle that Advisor's employees owe a fiduciary duty to clients. In complying with this duty, advisory personnel must avoid activities or interests that might interfere with making decisions in the best interests of clients. Under the Code of Ethics, advisory personnel are required to submit quarterly reports of their personal securities transactions to Advisor's Chief Compliance Officer for review. Employees are prohibited from investing in initial public offerings and private placements without prior consent of the Chief Compliance Officer. In addition, each person subject to the Code of Ethics is required to report to the Chief Compliance Officer all violations of the Code of which such person becomes aware. Advisor will provide a copy of its Code of Ethics, free of charge, upon the request of any client.

Employees of Advisor who have obtained the Certified Financial Planner (CFP®) designation are bound by the CFP Board's Standards of Professional conduct, which outline ethical and practice standards for CFP professionals. On behalf of Advisor, only Advisor's employees with a CFP designation or those that have successfully completed the Series 65 requirements are authorized to give advice to clients.

### Participation or Interest in Client Transactions

Advisor generally does not recommend investments to clients in which Advisor or any of its principals has a financial interest. If any such investment were proposed, the principal would be required to disclose any participation or interest in the transaction to the client and to obtain the advance approval of Advisor's Chief Compliance Officer Kate Juelfs.

### Personal Trading

Advisor employees are subject to the firm's Code of Ethics and must report their personal securities transactions to Advisor's Chief Compliance Officer for review on a regular basis to the extent required under the Investment Advisers Act of 1940. From time to time, Advisor employees may purchase mutual funds and other securities for their personal accounts, which are recommended to clients. In such cases, employees will not affect transactions for their personal accounts which will be contrary to recommendations being made to clients, nor will they compete with clients in connection with such transactions. Advisor has adopted an Insider Trading Policy that prohibits its employees from trading on material, non-public information.

## ITEM 12. BROKERAGE PRACTICES

### Recommending Brokerage Firms

Advisor typically recommends that clients establish an account with Charles Schwab & Co. Inc. ("Schwab") or Pershing Advisor Services, LLC, a division of BNY Mellon and its affiliates ("Pershing"). Charles Schwab & Co. Inc is an independent FINRA-registered broker-dealer, member SIPC. Advisor is separate and unaffiliated with Schwab and Pershing.

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

dealer/custodian. Advisor does not have discretion to select brokers without the client's consent and approval. Schwab and Pershing offer services to independently registered investment advisors which include custody of securities, trade execution, clearance, and settlement of transactions, and may charge fees and/or commissions for such brokerage services (see Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab or Pershing, the transaction fee shall be in addition to Advisor's investment advisory fee referenced in Item 5 above. To the extent that a transaction fee is payable, Advisor shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Advisor determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Advisor will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Advisor may receive from Schwab and/or Pershing (or another broker-dealer/custodian or provider, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist the Advisor to better monitor and service client accounts maintained at such institutions. Advisor receives benefits from Pershing. (Please see the disclosures under this Item 12 and Item 14 below.) Included within the support services that may be obtained by Advisor may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products provided by third party vendors used by Advisor in furtherance of its investment advisory business operations. There is no direct link between Advisor's participation in Schwab Institutional and/or Pershing and the investment advice it gives to its clients, although Advisor receives economic benefits through working with both. The benefits received by Advisor do not depend on the number of brokerage transactions directed to the Custodians.

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

Advisor considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation, and the quality of services provided.

**Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the above arrangements, and the conflict any such arrangement may create.**

Client's independent broker-dealer will charge each client a commission or fee to execute transactions in the customer's account in accordance with their then-current fee schedules. The broker-dealer, not Advisor, determines the commission rate and fees charged to clients. While Advisor believes the commissions and fees charged by the broker-dealers that it recommends are competitive, transactions may not always be executed at the lowest available commission rate. Although Advisor routinely requests that clients direct Advisor to execute all transactions through Schwab or Pershing, clients may direct the use of another qualified custodian and broker-dealer. Brokers selected at the discretion of the client may limit Advisor's ability to obtain the best price and execution, and the client will incur trade away fees when trades are placed away from client's custodian.

### Best Execution

As a fiduciary, Advisor has an obligation to obtain best execution of advisory clients' transactions under the circumstances of the particular transaction. Advisor seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction are the most favorable under the circumstances. Advisor has evaluated the full range of brokerage services offered by Schwab and Pershing and considers both to have competitively priced services and reliable execution capabilities compared to other comparable brokers. If client establishes a brokerage/custodial account with Schwab or Pershing, then Advisor will place all orders pursuant to its investment determinations on behalf of client's portfolio through either custodian, even though client potentially could obtain a more favorable net price and execution from another broker-dealer in particular transactions or from a discount broker in general. While we believe Schwab and Pershing's transaction rates to be competitive, transactions may not always be executed at the lowest available commission rate.

### Directed Brokerage

Advisor recommends that its clients utilize the brokerage and custodial services provided by Schwab or Pershing. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by Advisor (i.e., Schwab or Pershing). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Advisor will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Advisor. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

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

### Soft Dollars

Advisor does not enter into so-called "soft dollar arrangements" where an Advisor directs client commissions to a broker-dealer that provides research and brokerage services to the Advisor.

Schwab and Pershing offer institutional trading platforms to advisors. Advisor receives certain benefits from Schwab and Pershing, including electronic receipt of duplicate client confirmations and statements; ability to

have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; and discounts on services offered by the broker-dealer and its affiliates.

### **Order Aggregation**

Transactions for each client account generally will be effected independently, unless Advisor decides to purchase or sell the same securities for several clients at approximately the same time. The Advisor may (but is not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Advisor’s clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently.

At this time, Advisor does not aggregate or block trades on behalf of its clients.

### **Benefit Payments**

Pershing has and may continue to make payments to one or more third-party vendors on Advisor’s behalf, which is applied to the cost of certain eligible transition, marketing, and technology expenses that Advisor incurs to help effectively manage its clients’ accounts (the “Benefit Payments”). The payments could total up to \$250,000 over a two-year period, based upon the amount of Advisor assets held in Pershing’s custody within twelve (12) months beginning on or around August 1, 2023, and disbursed according to the following benchmarks: upon reaching an asset level of \$300mm, Advisor will be eligible for a Benefit Payment of \$150,000. An additional \$200mm of assets will trigger an additional \$100,000 in Benefit Payments.

Advisor has no expectation that these Benefit Payments will be offered again; however, Advisor reserves the right to negotiate for these Benefit Payments in the future. Pershing provides the Benefit Payments in its sole discretion and at its own expense, and neither Advisor nor its clients pay any fees to Pershing for the Benefit Payments.

The recommendation by Advisor or its representatives that a client select Pershing as designated broker-dealer/custodian for their accounts or transfer their account assets from another broker-dealer/custodian to Pershing presents a conflict of interest, because Advisor has the incentive to make a recommendation based on its interest in receiving the Benefit Payments to benefit its business interests, rather than based on clients’ interest in receiving the best value in custody services and the most favorable execution of transactions. To mitigate this conflict of interest, Advisor discloses the existence of the Benefit Payments to clients and will seek to recommend Pershing as broker-dealer/custodian if it believes that the arrangement is appropriate based upon the factors discussed throughout this Item 12. Further, Advisor reminds clients that they are not under any obligation to select Pershing for broker-dealer/custodial services.

## **ITEM 13. REVIEW OF ACCOUNTS**

If Advisor prepares a written financial plan for a client, the plan is reviewed periodically as agreed upon with the client. Typically, financial plans are reviewed at least annually. Reviews may be conducted by any licensed employee of the Advisor.

Advisor reviews investment management accounts at least quarterly. More frequent reviews may be provided upon request by a client or in the event of unusual market activity.

At least annually, Advisor will attempt to contact each client to determine whether there have been any changes in the client's financial situation or investment objectives. At this time, Advisor also will attempt to determine whether the client wishes to impose reasonable restrictions on the management of the account or modify an existing restriction. Clients will be notified quarterly in writing that Advisor should be contacted if there have been any changes in the client's financial situation or the way in which the client's portfolio should be managed. Investment advisor representatives, who are knowledgeable about its management style, are available at Advisor's office or by telephone on a reasonable basis to meet with the client at the client's request.

Advisor typically provides individual clients with a written financial plan that may include asset allocation recommendations, net worth statement, charitable giving strategies, estate planning information, or information regarding cash flow management, current market values, rates of return and portfolio allocation.

Advisor typically provides investment management clients with quarterly reports that may include portfolio holdings and their current market values, rates of return, and portfolio allocation. Advisor remains available to meet at least annually with Qualified Plan Consulting Service clients to review an analysis of investments, as well as conduct due-diligence meetings. Advisor also may conduct periodic education and plan review meetings with plan participants as scheduled or requested.

Advisor occasionally provides clients with newsletters and commentary containing general discussions of current market conditions or educational interviews.

#### ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

##### **Incoming Referrals**

Schwab Advisor Network®: Advisor has received client referrals from Charles Schwab & Co., Inc. ("Schwab") through Advisor's participation in Schwab Advisor Network® ("the Service. Advisor's participation in the Service may raise potential conflicts of interest described below.

Although Advisor is not currently receiving client referrals, Advisor pays Schwab a Participation Fee on all previously referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Advisor is a percentage of the fees the client owes to Advisor or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Advisor pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Advisor quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by Advisor and not by the client. Advisor has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Advisor charges clients with similar portfolios who were not referred through the Service.

Advisor generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was

solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Advisor will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Advisor's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Advisor will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Advisor's fees directly from the accounts.

For accounts of Advisor's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Advisor's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Advisor may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Nevertheless, Advisor acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Advisor's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### **Referral Fees**

Prospective clients may be referred to Advisor by promoters unaffiliated with Advisor. Advisor will pay that promoter a percentage of the fees that Advisor earns from the client or a flat dollar amount. The payment of the referral fee will not result in any additional charge to the client. Referred clients will receive a written disclosure statement describing the terms of the arrangement between Advisor and the promoter, including the compensation to be received by promoter from the Advisor.

**Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding the Service and any corresponding perceived conflict of interest such arrangement may create.**

Advisor has entered into sponsorship arrangements with several medical associations and/or organizations (the "Association"). In return for the payment of an annual sponsorship fee to the Association, Advisor receives access to the members of the Association, including the ability to present educational programs and/or seminars to Association members; place advertisements in the Association journal and/or membership directory; write articles for the Association newsletter; and distribute promotional materials and/or mailings to Association members. No Association member is obligated to engage Advisor to provide advisory services. In the event that a member does engage Advisor, the terms and conditions of the engagement shall be set forth in a written agreement between Advisor and the physician. In the event that a member does engage Advisor, Advisor will not remit any portion of the fees received from the member engagement to the Association. The only remuneration to the Association is the annual sponsorship fee. The payment of the sponsorship fee is not

contingent upon Advisor's success in obtaining member engagements. Nevertheless, as result of the payment of the annual sponsorship fee to the Association, the potential for a conflict of interest arises since the prospective engagement of Advisor by Association members could encourage Advisor to make future and/or renewal annual sponsorship payments to the Association.

**Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that an Association member may have regarding the sponsorship arrangement.**

### **Referrals of Other Professionals**

Advisor emphasizes a "team approach" when providing investment advisory services to its clients. If requested by a client, or if Advisor believes legal or accounting services are required and in the best interests of a client's financial plan, Advisor will recommend an independent attorney or accountant. Advisor does not pay for client referrals or enter into arrangements with other professionals for client referrals. However, Advisor may have a conflict of interest in making these recommendations, because it may receive referrals from professionals that it has recommended to clients. Advisor will refer other professionals to its clients only when the services provided by the professional best suit the clients' needs.

### **Other Compensation**

Advisor does not receive sales charges, commissions, service fees, 12b-1 fees or other compensation from a non-client in connection with providing investment advice to a client.

As disclosed under Item 12 above, Pershing has and may continue to make payments to one or more third-party vendors on Advisor's behalf, which is applied to the cost of certain eligible transition, marketing and technology expenses that Advisor incurs to help effectively manage its clients' accounts. See Item 12 for more information.

## **ITEM 15. CUSTODY**

Advisor is deemed to have custody over certain client accounts when (i) its associated person serves as co-trustee, trust protector, or in similar situations, (ii) where it may possess client banking information, (iii) where it maintains authority to transfer client funds to a third party, or (iv) has the authority to deduct its fee from a client's account. Clients will receive written transaction confirmation notices and account statements from the broker-dealer, bank, or other qualified custodian of their account and should carefully review those statements. To the extent that Advisor provides clients with periodic account statements or reports, clients are urged to compare them with the account statements received from their custodian. Please Also Note: The account custodian does not verify the accuracy of Advisor's advisory fee calculation.

In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Advisor to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. Advisor and/or certain of its members engage in other services and/or practices (i.e., bill paying, password possession, trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in Advisor having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires Advisor to undergo an annual surprise CPA examination, and

make a corresponding Form ADV-E filing with the SEC, for as long as Advisor provides such services and/or engages in such practices. ANY QUESTIONS: Advisor's Chief Compliance Officer, Kate Juelfs, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

## ITEM 16. INVESTMENT DISCRETION

### **Discretionary Trading Authority**

Clients typically grant Advisor discretionary authority over accounts to determine the securities to be bought and sold, to place trades, to negotiate transactions costs on their behalf where possible and, periodically, to rebalance the client's account back to the recommended allocation. Advisor has no obligation to supervise or direct investments held in client accounts that were not recommended, or that are not subject to review, by Advisor for a fee.

### **Limited Power of Attorney**

Clients who have granted discretionary trading authority to Advisor are required to grant a "limited power of attorney" to Advisor over client's custodial account for purposes of trading and fee deduction. The client grants this authority in the brokerage account application.

## ITEM 17. VOTING CLIENT SECURITIES

Advisor does not exercise proxy voting authority over securities held in clients' accounts. Each client retains proxy voting authority over the securities that are held in the client's account. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (ii) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets. Advisor will promptly forward to the client all proxy solicitation notices it receives that relate to securities held in the client's account. Client may thereafter, in the client's sole discretion and at the client's sole expense, decide how to vote such proxies. Copies of Advisor's proxy voting policy are available free of charge upon the client's written request to Advisor.

Clients may contact Advisor with any questions about a mutual fund proxy solicitation at the address on the cover page.

## ITEM 18. FINANCIAL INFORMATION

Advisor is not aware of any financial conditions that are reasonably likely to impair the fulfillment of Advisor's contractual commitments to clients.

## ITEM 19. ADDITIONAL INFORMATION

### BUSINESS CONTINUITY PLAN

Advisor has adopted a disaster recovery plan that governs how it will conduct operations in the case of a significant business disruption. In the case of a significant business disruption that affects communication with or to Advisor's main offices, clients may continue to call the firm at 800-798-1012, or 515-226-9000 with any questions they may have. A message also will be posted on the firm's website at [www.fostergrp.com](http://www.fostergrp.com). A copy of Advisor's disaster recovery plan will be made available to any client upon written request.