



**Frank, Rimerman Advisors LLC**

registered investment advisors

## **Cover Page**

**Frank, Rimerman Advisors LLC**

**1801 Page Mill Road**

**Palo Alto, California 94304**

**(650) 845-8100**

**<https://www.frankrimerman.com/services-for-individuals/private-wealth-management/>**

Updated November 1, 2023

This brochure provides information about the qualifications and business practices of Frank, Rimerman Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (650) 845-8100. 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.

Frank, Rimerman Advisors LLC is an SEC-registered investment advisor. Registration with the SEC does not imply any level of skill or training.

Additional information about Frank, Rimerman Advisors LLC is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

This brochure is being updated to reflect the retirement of the firm's Chief Compliance Officer, Larry Gentry. As of November 2023, Carolyn Mendelson is assuming the role of Chief Compliance Officer for the firm.

Previously, this brochure was last updated on August 3, 2023.

- To remove language about a Select Account Program no longer offered to clients.
- To add language about mutual fund share classes in the Methods of Analysis, Investment Strategies, and Risk of Loss.
- To update the Brokerage Practices section to provide more clarity.
- To disclose in the Custody section that we have clients with Standing Letters of Authorization to named third parties which requires an additional disclosure on our ADV Part 1 annual amendment.

## Table of Contents

Cover Page .....	1
Material Changes .....	2
Table of Contents .....	3
Advisory Business .....	4
Fees and Compensation .....	5
Performance Fees and Side-by-Side Management .....	5
Types of Clients .....	6
Methods of Analysis, Investment Strategies, and Risk of Loss .....	6
Disciplinary Information .....	6
Other Financial Industry Activities and Applications. ....	6
Code of Ethics .....	7
Brokerage Practices .....	7
Review of Accounts .....	9
Client Referrals and Other Compensation .....	10
Custody .....	10
Investment Discretion .....	10
Voting Client Securities .....	10
Financial Information .....	11

## Advisory Business

Frank, Rimerman Advisors LLC, ("FRA") founded in 2000, is an SEC-registered investment advisor with its principal place of business at 1801 Page Mill Road, Palo Alto, California, 94304. Frank, Rimerman Advisors LLC is wholly owned by Frank, Rimerman + Co. LLP, a certified public accountancy firm in business since 1949.

While we specialize in financial planning and wealth management, we also assist clients with the selection of third-party asset managers, portfolio evaluations, and general investment advice concerning specific financial goals and objectives.

We tailor our financial planning and wealth management services to the individual needs of our clients, working with each client to define their investment objectives, time horizon, investment restrictions, and risk tolerance. We use this information to develop a comprehensive asset allocation plan upon which we construct and manage customized portfolios which are broadly diversified across and within various asset classes. Client portfolios comprise equity and fixed-income positions including exchange-listed securities, indexed funds, bonds, and exchange traded funds appropriate for the client's specific asset allocation plan.

In managing a client's portfolio, we have access to and recommend the use of third-party asset managers and/or sub-advisers where it is advantageous to the unique needs of a client. In such cases, the client enters into separate service agreements and fee arrangements with the third-party asset managers and/or sub-advisers.

As of December 31, 2022, our total assets under management were approximately \$1,704,282,026, of which we managed approximately \$1,435,319,509 on a discretionary basis and \$268,962,517 on a non-discretionary basis.

## Fees and Compensation

For managed account and investment advisory services, our advisory fees are generally based on a percentage of the current market value of the assets in the client's account and are set out in the agreement between the client and Frank, Rimerman Advisors. The total annual fees typically range from 0.30% to 1.20% and are negotiable. All fees are deducted quarterly from the client's account based on the value of the account on the last day of the previous quarter.

Of the total annual fees, our investment advisory fees typically range from 0.10% to .70% of the value of the client's assets. We currently use the following tiered fee structure:

<u>Assets Under Advisory</u>	<u>Advisory Fee</u>
First \$5 million	0.70%
\$5 million to \$10 million	0.50%
\$10 million to \$20 million	0.30%
\$20 million to \$100 million	0.20%
Over \$100 million	0.10%

New FRA clients have a minimum fee of \$15,000 annually.

Of the total annual fees, the client's account is also charged quarterly for agreed-upon fees charged by the investment management platform provider (where applicable), the individual asset managers, mutual funds (where applicable), and the brokers and custodians. The exact fees for these services are disclosed to and agreed upon by the client prior to setting up a sub-advised account but overall fees for the account, including our investment advisory fees, will fall in the 0.30% to 1.20% annual range.

We reserve the right to negotiate fees and we manage certain accounts without an advisory fee, such as accounts of employees, former employees, employees' affiliates, or their relations. We, in certain circumstances, negotiate a reduced annual minimum to avoid charging fees deemed to be excessive.

For clients who engage us on an hourly basis, including financial planning clients, our billing rates range from \$360 to \$825. Fixed fee engagements are available.

## Performance Fees and Side-by-Side Management

We do not charge performance-based fees.

## Types of Clients

We provide investment advisory services to high-net-worth individuals, trusts and estates, and some limited liability companies.

## Methods of Analysis, Investment Strategies, and Risk of Loss

We use a long-term investment philosophy and provide individual advice based on each client's risk tolerance. Our investment recommendations are based upon fundamental and technical analysis of investments provided by a variety of publicly available research and reports. In the event that FRA were to recommend a third party asset manager to a client, we recommend such asset managers based on our review of information provided by the asset managers which are independent third parties.

When recommending the purchase of mutual funds to clients, FRA's policy is to recommend that clients purchase the least expensive mutual fund share class available. The firm will assess what mutual fund share classes are available to its clients to determine the least expensive share class taking into consideration the client's needs and anticipated activity in the account.

While we perform due diligence as described above, investing in securities involves risk of loss that clients/investors should be prepared to bear.

## Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. We have no reportable disciplinary events to disclose.

## Other Financial Industry Activities and Applications

Frank, Rimerman + Co. LLP owns Frank, Rimerman Advisors LLC. Brian Kreischer is the managing partner of Frank, Rimerman + Co. LLP and the manager of Frank, Rimerman Advisors LLC. Brian is primarily engaged in the business of accountancy through Frank, Rimerman + Co. LLP. Frank, Rimerman+ Co. LLP is a certified public accounting firm. It provides limited investment advice as an incidental part of its accounting business but does not hold itself out as an investment advisor and does not charge separate and identifiable fees for any investment advisory services. Frank, Rimerman Advisors LLC is an investment advisor and is not an accounting firm. Frank, Rimerman Advisors LLC does not hold itself out as an accounting firm and is not a licensee of the California Board of Accountancy.

Frank, Rimerman + Co. LLP provides certain administrative and clerical services for Frank, Rimerman Advisors LLC for which it receives compensation reasonably related to the cost of such services.

Frank, Rimerman Advisors LLC has contractual relationships with various independent portfolio managers to whom it refers clients as part of its various advisory and referral programs. Frank, Rimerman Advisors LLC also has contractual relationships with independent portfolio managers with whom Frank, Rimerman

Advisors LLC clients contract to act as sub-advisors.

### **Code of Ethics**

Our formal code of ethics establishes standards of conduct for our management and employees to ensure they comply with their fiduciary obligations to our clients and with applicable securities laws and specific requirements relating to, among other things, insider trading and personal trading. Our code of ethics also contains policies involving the safeguarding of proprietary and non-public information by our personnel along with restrictions on the use of insider information and the use of non-public information regarding a client. Annually, our employees certify they have read, understand, and comply with our code of ethics and avoid activities, interests and relationships that run contrary to the best interests of our clients.

Our employees agree to serve in the client's best interest and not benefit at the expense of our clients, particularly in making personal investments in securities traded by the client.

Our employees agree to comply with the code of ethics with regards to personal trading of securities and our insider trading policy. Upon being hired, our employees provide a copy of their existing holdings in individual securities and provide quarterly brokerage statements which are reviewed by our chief compliance officer for trading activity.

Our employees agree to not accept investment opportunities, gifts, or other gratuities from individuals seeking to conduct business with us or on behalf of the client.

Finally, our employees agree to maintain full compliance with federal securities laws.

### **Brokerage Practices**

For managed accounts, brokerage services will generally be provided by the broker designated by the client. However, we recommend one or more brokers to our clients based upon their reputation, experience, niche specialties, and services offered. The client may select the broker we recommend or another broker of their choosing. Some third party asset managers utilize other brokers at their discretion for purposes of best execution. We are not compensated, directly or indirectly, by brokers for client referrals.

FRA recommends that clients utilize Fidelity or Schwab as their custodian(s) and/or broker(s).

Schwab Advisor Services™ ("Schwab") is Charles Schwab & Co., Inc.'s business serving independent investment advisory firms like Frank, Rimerman Advisors LLC. Schwab provides Frank, Rimerman Advisors LLC and its clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers.

Schwab also makes available various support services. Some of those services help Frank, Rimerman Advisors LLC manage or administer clients' accounts while others help Frank, Rimerman Advisors LLC manage and grow its business.

The following is a more detailed description of Schwab's support services:

**Services that Benefit Clients.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Frank, Rimerman Advisors LLC might not otherwise have access or that would require a significantly higher minimum initial investment by Frank, Rimerman Advisors LLC clients.

**Services that Do Not Directly Benefit Clients.** Schwab also makes available other products and services that benefit Frank, Rimerman Advisors LLC but does not directly benefit clients. These products and services assist Frank, Rimerman Advisors LLC in managing and administering Frank, Rimerman Advisors LLC clients' accounts. Schwab includes investment research, and that of third parties. Frank, Rimerman Advisors LLC uses this research to service all or a substantial number of its clients' accounts. In addition to investment research, Schwab also purchases, reimburses, or makes available benefits, software, and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of Frank, Rimerman Advisors LLC's fees from Frank, Rimerman Advisors LLC's clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that Generally Benefit Only Frank, Rimerman Advisors LLC.** Schwab also offers other services intended to help Frank, Rimerman Advisors LLC's manage and further develop its business enterprise, such as access to educational conferences and events.

The availability of these services from Schwab benefits Frank, Rimerman Advisors LLC because Frank, Rimerman Advisors LLC does not have to produce or purchase them. Frank, Rimerman Advisors LLC does not have to pay for Schwab's services and the receipt of these services is not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.

The availability of these services gives Frank, Rimerman Advisors LLC an incentive to recommend that clients maintain accounts with Schwab, based on Frank, Rimerman Advisors LLC's interest in receiving Schwab's services that benefit Frank, Rimerman Advisors LLC's business rather than based on clients' interests in



receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. Frank, Rimerman Advisors LLC believes, however, that its recommendation to use Schwab, when appropriate, as custodian and broker is in the best interests of clients. Frank, Rimerman Advisors LLC's recommendation is primarily supported by the scope, quality, and price of Schwab's services. Frank, Rimerman Advisors LLC does not believe that recommending clients to maintain assets at Schwab presents a material conflict of interest.

In addition to Schwab, FRA also recommends Fidelity to its clients as a custodian and broker. Fidelity provides access to a wide variety of investments, competitive pricing, and quality execution of large securities orders. Although we believe Fidelity provides our clients with exceptional overall value, Fidelity's commissions, trading spreads, and fees could be higher or lower than those of its competitors on any given transaction.

Similar to Schwab, Fidelity provides us with services to help us manage our clients' accounts. At no cost to us, Fidelity provides us with:

- a secure website to view our clients' account information, calculate the size of potential orders, and transmit orders for execution;
- access to a dedicated trading desk for large securities orders;
- the ability to allocate aggregated trade orders across multiple client accounts;
- a service team to call with account-related questions;
- the ability to deduct management fees from clients' accounts and remit them to our firm; and
- financial market commentaries via newsletters and conference calls.

Our receipt of these account management services at no cost from Fidelity creates a conflict of interest. Nevertheless, the fact that Fidelity offers these services at no cost has no bearing on our recommendation of Fidelity for our clients' managed accounts, as most of Fidelity's competitors offer these same services to firms such as ours at no cost.

## **Review of Accounts**

We review the performance of managed accounts on a continuous, ongoing basis. On a quarterly basis, we review the account's rebalancing activity, review and audit fees charged to the account, review trading in the account against any client-directed restrictions, review any third party asset managers' performance and provide quarterly performance reporting to the client. We meet with the client at least annually to review the performance of their managed accounts and any changes in the client's financial goals or profile which would require any changes in their asset allocation.

## Client Referrals and Other Compensation

We have no referral programs where we are compensated for referring our clients to other service providers. We occasionally refer clients to Frank, Rimerman + Co. LLP for non-investment advisory services, but we receive no compensation for those referrals.

## Custody

All clients' accounts are held in custody by unaffiliated broker/dealers, custodians or banks, but Frank, Rimerman Advisors LLC can access many clients' accounts through its ability to debit advisory fees. For this reason, Frank, Rimerman Advisors LLC is considered to have limited custody of client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements and should compare these statements to any account information provided by Frank, Rimerman Advisors LLC.

FRA may transfer money from a client's account to one or more third-party accounts, as designated by the client, without obtaining consent for each individual transaction. This is possible if the client has provided written authorization known as a Standing Letter of Authorization ("SLOA"). When an adviser has the authority to conduct such transfers, they are considered to have custody over the client's assets in the related accounts.

However, FRA is not required to undergo a surprise annual audit, which is typically necessary for custody, provided that certain conditions are met:

1. The client must provide written instructions, including the name, address, or account number of the third party, signed by them, to the qualified custodian.
2. The client must authorize FRA in writing to direct transfers to the third party either on a specific schedule or from time to time.
3. The qualified custodian must confirm the client's authorization, such as by reviewing the signature, and notify the client promptly after each transfer.
4. The client can terminate or change the instruction.
5. FRA has no authority or ability to change the identity of the third party, the address, or any other information about the third party.
6. FRA maintains records demonstrating that the third party is not related to them and is not located at the same address as them.
7. The qualified custodian sends the client an initial notice confirming the instruction and an annual notice reconfirming the instruction, both in writing.

FRA confirms that we meet all the above conditions.

## Voting Client Securities

The client may contact us for advice or information about a particular proxy vote, but we do not exercise proxy voting authority over client securities and should not be designated by custodians as the party to receive information on voting client proxies. The obligation to vote client proxies rests with the client. The client may

choose to designate proxy voting to the individual asset managers to whom it allocates assets. Should we inadvertently receive proxy information for a security held in the client's account, we forward such information on to the client.

### **Financial Information**

Since we have discretionary authority over the assets of certain clients as it relates to investing and re-investing assets within their accounts, we are required to disclose any financial conditions which might reasonably impair our ability to meet contractual commitments. There are no unfavorable financial conditions to disclose.