



# FIDUCIARY VEST

## Part 2A of Form ADV Firm Brochure, September 2023

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This brochure provides information about the qualifications and business practices of FiduciaryVest, LLC. If you have any questions about the contents of this brochure, please contact our office at (404) 446-1270. 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.

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

FiduciaryVest, LLC is registered as an investment adviser under the Investment Advisers Act of 1940. Registration with the SEC and/or use of the term "registered" does not imply a certain level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an adviser.

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## **Item 2: Material Changes**

Since our last Annual Updating Amendment filing on March 29, 2023, we have made the following material changes:

We have added investment management services to individual high net worth clients. The applicable disclosures have been updated to include this new service offering.

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## Item 3: Table of Contents

ITEM 2: MATERIAL CHANGES .....	2
ITEM 3: TABLE OF CONTENTS .....	3
ITEM 4: ADVISORY BUSINESS .....	4
ITEM 5: FEES AND COMPENSATION .....	7
ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	8
ITEM 7: TYPES OF CLIENTS.....	8
ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	8
ITEM 9: DISCIPLINARY INFORMATION.....	11
ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	11
ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.	12
ITEM 12: BROKERAGE PRACTICES.....	12
ITEM 13: REVIEW OF ACCOUNTS.....	14
ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION .....	15
ITEM 15: CUSTODY.....	15
ITEM 16: INVESTMENT DISCRETION .....	16
ITEM 17: VOTING CLIENT SECURITIES.....	16
ITEM 18: FINANCIAL INFORMATION .....	16

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## Item 4: Advisory Business

### Firm Description

**FiduciaryVest, LLC** (“FiduciaryVest”) is an employee-owned investment advisory firm that specializes in working with hospitals, retirement plan sponsors, foundations and endowments, corporations, governmental bodies, and high net worth individuals to manage their investment programs.

FiduciaryVest is a fee-only firm founded in 2005 by Philly Jones and Harold Small headquartered in Atlanta, Georgia with additional offices in and Radnor, Pennsylvania. The principal owner is Jason Small.

Our business focus is to deliver independent, fee-only, targeted investment advice which is delivered on a client by client basis and includes services unique for each client.

FiduciaryVest’s advisory services focus primarily on the following target markets:

- Institutional Trustees (non-profits, endowments and foundations, hospitals, corporations, governmental entities, and Taft Hartley plans)
- Retirement Plan Sponsors, (including 401(k), 403(b) and other defined benefit plans)
- High Net Worth Individuals (IRAs, family trusts, and other individual accounts)

### Individual Advisory Services

#### *Individual Portfolio Management*

FiduciaryVest’s individual portfolio management service is dedicated to serving the specific needs of our high-net-worth clients through individually tailored portfolios. Investment portfolios are designed in accordance with each client’s objectives and requirements. We select investments for each portfolio in consideration of risk management and desired performance.

To implement the client’s portfolio, we will primarily manage clients’ investment portfolios on a discretionary basis. As a discretionary investment adviser, we will have the authority to supervise and direct the portfolio without prior consultation with the client. In limited instances, FiduciaryVest does manage portfolios under a non-discretionary arrangement in which the client retains the responsibility for the final decision on all actions taken with respect to the portfolio. Obtaining client consent before a transaction can result in a delay in executing recommended trades, which could limit participation in client grouped trades and adversely affect the performance of the portfolio.

#### *Separate Account Managers*

When factors are appropriate for a client, FiduciaryVest will recommend the use of one or more Separate Account Managers, each a “Manager”. Having access to various Managers offers a wide variety of manager styles and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. We will select or recommend the Manager(s) we deem most appropriate for the client. Factors we consider in recommending/selecting Managers generally include the client’s stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, FiduciaryVest retains the authority to terminate the Manager’s relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by FiduciaryVest. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by FiduciaryVest.

In any case, with respect to assets managed by a Manager, FiduciaryVest’s role will be to monitor the

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overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments in the portfolio.

### **Institutional Advisory Services**

FiduciaryVest offers investment advisory services either on a **non-discretionary** or **discretionary** basis. An institutional client/trustee who receives non-discretionary investment advisory services receives advice and recommendations from FiduciaryVest. These recommendations are subject to the approval of the client, and thus the fiduciary responsibility is shared with the client.

Under a discretionary arrangement, FiduciaryVest assumes fiduciary liability for its recommendations and generally has the authority to implement those recommendations within pre-determined Investment Policy guidelines. In this way, through a discretionary arrangement, the client delegates decision-making authority to FiduciaryVest, as documented in the terms of the advisory agreement.

#### *Non-Discretionary Advisory Services:*

These services involve providing ongoing independent advice with NO discretionary decision authority delegated by clients to FiduciaryVest and may include some or all of the following services:

1. Investment Policy Statement- We assist with the creation of client specific, comprehensive investment policies which include investment objectives, investing time horizon(s) or investing criteria and appropriate constraint(s), if any. For foundation and endowment clients, this may include recommendations regarding a spending policy.
2. Asset Allocation- We assist our clients in reviewing an array of investable asset classes to identify a strategic asset allocation policy designed to result in an appropriate balance of risk and potential return for their portfolios. When applicable, we perform client specific asset/liability forecasting studies.
3. Manager Search, Due Diligence and Selection- We utilize a myriad of quantitative and qualitative factors to identify those managers and strategies we believe are best matched to our clients' specific risk and return expectations on a forward-looking basis.
4. Investment Program Maintenance- We supply, typically quarterly, a comprehensive management report detailing our evaluations of the varying aspects of the client's investment portfolio including compliance with policy and contributions toward stated client objectives. This report will include any specific conclusions and action recommendations deemed appropriate as well as review/benchmarking of the fees paid by the plan/client for investment and administrative services.
5. General Investment Consulting Services- FiduciaryVest may provide general consulting services from time to time including, but not limited to, providing investment-related education, performing searches for investment custodian/administration service providers or ad-hoc custom analysis. We also provide limited audience investment advisory services in the form of employee sponsored seminars or webcasts delivered on broad subjects such as asset allocation and education as it relates to the employer's program and/or general retirement planning.

#### *Discretionary Management Services:*

In addition to the services detailed in the Non-Discretionary Advisory Services section, FiduciaryVest offers Discretionary Management Services under formal service agreements that are offered separate and apart from the non-discretionary services. These services primarily involve discretionary authority over client investment assets specifically delegated to FiduciaryVest and may include some or all of the following services:

1. Investment Manager- FiduciaryVest will assume discretionary management of institutional client

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portfolios or plans, duties that may commonly be referred to as Outsourced Chief Investment Officer (OCIO) services, which can include asset allocation, portfolio rebalancing, and manager and/or fund selection.

2. Dynamic Rebalancing- We offer discretionary rebalancing of allocations within the client's investment policy target-range percentages.
3. Target Date Allocation Services- (Also referred to as Custom Target Date Portfolios) Subject to the client established investment policy, FiduciaryVest will provide discretionary asset allocation management of commercially available mutual funds or other institutional investment pools that have been selected and approved by the client for use in their formally sponsored employee benefit programs known as "401(k) plans".

Designed to meet the unique needs of your participants, the key components of this service include glide path design, manager due diligence, glide path management, and select participant communications.

### Acknowledgement of Fiduciary Status

As a fiduciary to our clients, we have an affirmative duty of undivided loyalty to always serve our clients' best interests and act in utmost good faith, placing our clients' interests first and foremost without regard to the financial interests of our employees, affiliates, and any related entities or other parties. Further, as fiduciaries we are required to act prudently on our clients' behalf, exercising care, skill and diligence when providing our services.

As a fiduciary to our ERISA clients, we are firmly committed to: (i) providing prudent advice that is, at the time of the recommendation, in the Best Interest of our client, (ii) receiving no more than reasonable compensation, and (iii) not making materially misleading statements on matters relevant to a retirement investor's investment decisions.

In instances with individual clients, FiduciaryVest may be consulted to assist a client with a retirement plan accounts. When an employee leaves an employer there are generally four options regarding an existing retirement plan account and an employee's options, or combination thereof, such as; 1) if permitted, leaving the funds in the former employer's plan, 2) if rollovers are permitted and the employee has a new employer with an available plan, the employee could rollover the funds to the new employer plan, 3) rollover the funds to an Individual Retirement Account ("IRA"), or 4) withdraw or cash out the employee's funds from the plan which could have adverse tax consequences depending on certain factors. If a client chooses to rollover retirement plan assets into an IRA account managed by FiduciaryVest, we will receive an advisory fee which creates a conflict of interest. Clients are under no obligation to roll retirement plan assets to an account managed by us.

### Services Tailored to the Individual Needs of Each Client

Essentially all of FiduciaryVest's services are individually client-specific and may involve a combination of non-discretionary and discretionary agreements. The content of advice and written deliverables (other than commentaries on the markets) directly address each client's investment program, based upon client-specific, written investment goals and policy guidelines (the development of which FiduciaryVest is typically involved, at a significant level). The characterization of our services as "client-specific" applies to one-time, or non-periodic services, as well as those which are delivered on a routine, periodic basis. Clients have full latitude to direct FiduciaryVest to exclude from its advice any particular types of securities, investing techniques, strategies, or vehicles.

### No "Wrap Fees"

FiduciaryVest does not participate in "wrap fee" programs.

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## Assets Under Management

FiduciaryVest believes the term "assets under advisement" most accurately describes its non-discretionary client relationships versus client assets managed via a discretionary service agreement.

The total of all client assets with which FiduciaryVest has a recurring advisory relationship as of December 31, 2022, was approximately as follows:

Discretionary: \$91,211,614

Non-Discretionary: \$3,313,501,488

Total: \$3,404,713,102

## Item 5: Fees and Compensation

### Fees

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#### Individual Advisory Service Fees

##### *Individual Portfolio Management Fee*

Portfolio advisory fees are calculated as a percentage of assets under management and are typically payable quarterly, in advance based on the month-end account value. Fees will be directly debited from the account, in accordance with the client authorization form required by the custodian. Below is the standard client fee:

##### **Annual Percentage Fee of Market Value: 0.50%**

FiduciaryVest reserves the right to negotiate fees. Some clients pay more or less than others depending on certain factors, such as the type and size of the account, and existence of related accounts. The negotiated fee is specified in the agreement between FiduciaryVest and the client.

##### *Separate Account Manager Fees*

In instances where the services of a Separate Account Manager are utilized, the Separate Account Manager fees will be charged in addition to FiduciaryVest's fee and will be detailed in the Management Agreement signed by the client.

#### Institutional Advisory Service Fees

Because FiduciaryVest's **institutional services** are determined and contracted according to the unique facts and circumstances of each client, fees are not quoted under a fixed schedule, or computed using a uniform method for all clients.

#### Method of Fee Payment

Individual client fees will be debited from their managed accounts per the terms of their specific client agreement. Institutional clients will be billed (via an invoice) per the terms of their specific client agreement.

#### Other Investment-related Fees and Expenses Paid by Clients

In some of FiduciaryVest's client service agreements, clients are responsible for reimbursing us for one or more types of cash-paid expenses that are directly related to that specific client, such as travel costs, printing and/or shipping of reports.

In essentially all client cases, there will be brokerage commissions, investment management fees, custodian fees, legal and accounting fees incurred in connection with a client's account. *Such fees and*

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*expenses are in addition to FiduciaryVest's fees; they are authorized solely by the client and are paid directly to the vendors, either by the client, or from the client's investment asset account(s); the methods of calculating and paying all such fees and expenses are the direct responsibility of the client, with no intervening involvement by FiduciaryVest.*

### Prepayment of Fees

FiduciaryVest bills its clients according to the specific terms of its written client service agreements which do not require or solicit prepayment of six months or more in advance. If the service agreement is terminated before the end of the billing period, fees for the quarter will be pro-rated and adjusted as of the termination date. Upon initial execution of agreement, the client may revoke within 5 days without penalty by giving FiduciaryVest written notice.

### Compensation

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#### No Compensation for the Sale of Securities, or Other Investment Products

FiduciaryVest does not accept asset-based sales charges, commissions for transactions or service fees from the sale of investment products, such as mutual funds.

### Item 6: Performance-Based Fees and Side-By-Side Management

FiduciaryVest has no performance-based fee arrangements nor side by side management.

### Item 7: Types of Clients

FiduciaryVest provides advisory services to the following types of clients:

- High Net Worth Individuals
- Non-Profit Organizations including Foundations and Endowments
- Hospitals and Health Care Organizations
- Defined Benefit Plans
- Defined Contribution Plans
- Non-Qualified Deferred Compensation Plans
- Corporations
- State and Municipal Government Entities
- Insurance Companies
- Pooled Investment Vehicles

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

#### Methods of Analysis

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FiduciaryVest primarily provides analysis on publicly traded mutual funds that have no sales charges and which trade in the open market at their net asset value (NAV). FiduciaryVest does provide pre-investment, non-legal reviews and recommendations on certain types of partnership, or partnership-like interests in pooled investment funds which are typically: (1) not registered with the SEC and (2) not deployed into specific investments when the investment pool is first created and (3) illiquid for stated periods ranging from 3 months to 10-12 years; in such cases, FiduciaryVest routinely recommends that clients additionally obtain reviews from their legal counsel and/or tax accounting professional advisers. In addition to mutual funds and limited partnerships, FiduciaryVest may also recommend the inclusion of ETFs and separately managed accounts.

#### Mutual Fund Share Class Disclosure

FiduciaryVest will seek to determine the most advantageous share class available to clients. While



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institutional share classes are usually the lowest cost alternative, under certain circumstances clients may be better served to pay a higher annual expense ratio and avoid a transaction fee on each trade. When selecting a mutual fund for individual client accounts, we have a fiduciary duty to select the share class that helps manage the overall fee structure of the account. We will perform an analysis to determine which class is most beneficial to the client. We will review mutual fund positions the client may transfer “in kind” to be included in the assets managed by FiduciaryVest. We will advise clients as to alternatives available regarding share classes. We recognize that in some situations alternative share classes may not be available such as in 401k plans that limit the array of investments or funds that require certain investment amounts, or custodial platforms that do not provide alternative classes.

### *Mutual Fund Legacy Holdings*

When clients transfer assets into a managed account, we will review client mutual fund holdings. If a holding is not one of FiduciaryVest’s recommended funds, the mutual fund will generally be sold unless the client needs to avoid a taxable gain or directs us to hold the position. In some circumstances, if the legacy holding fits into the asset allocation of the client’s portfolio, it may be held going forward. If we determine it is in the client’s best interest to convert to an alternative share class and the position meets the minimum investment and eligibility criteria, we will place instructions for the custodian to convert the position on its next available share class conversion date.

### Publicly Available Research Sources

FiduciaryVest uses commercially available subscription databases, in order to obtain data on market indexes and to research and evaluate mutual funds, investment management firms and their products.

### Proprietary Research

FiduciaryVest regularly conducts face-to-face/virtual meetings and/or on-site interviews with various investment management firms and their portfolio managers, incorporating data from research databases and presentation materials the managers prepare for such meetings.

### Proprietary Asset Allocation Modelling

FiduciaryVest performs custom investment portfolio asset allocation studies for specific clients, using proprietary, stochastic projections (i.e., the modeling output is presented in probability terms) of expected outcomes and ranges of outcomes that are constructed by FiduciaryVest on a software platform tool which is commercially labeled “@Risk”. FiduciaryVest does not generally advise on specific purchases or sales of individual securities (other than mutual funds).

FiduciaryVest considers the development of a comprehensive investment policy by and for the client to be the cornerstone of any investment program. FiduciaryVest bases investment strategies it devises for recommending to its clients, and the implementation thereof, on each client's written policy or a similar documented common understanding between it and its clients. FiduciaryVest provides advice on a wide range of investment strategies, each of which is specific to a client's situation and objectives, within any constraints that are imposed by the client. Typically, such recommended strategies will be long term (5 years, or longer) in nature.

### Investment Strategies

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Investment strategies that may be recommended by FiduciaryVest range from basic long term mixtures of marketable common stocks and bonds to more intricate allocations that may involve the use of highly specialized, narrowly defined investing categories and strategies, such as (1) long/short equity securities, (2) funds of hedge funds, (3) concentrated portfolios (typically arranged in a “core-and-satellites”

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configuration that balances expected volatility of concentrated portfolios, around a passively managed, or indexed core portfolio), (4) non-investment-grade debt securities portfolios, (4) marketable index options, (5) actively managed real estate, timberland and other real asset pools, (6) participation in managed commodity pools, (7) "liability-driven" configurations (typically for defined benefit pension plan clients) and other strategies designed to manage a client's overall risk exposure so that a particular risk profile is achieved.

## Risk of Loss

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Investing in securities involves the risk of loss that clients should be prepared to bear. We seek to mitigate investment risks through our strategies and your objectives. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of an investment.

## Investment Risk

FiduciaryVest helps each client to arrive at their own, unique definition for investment risk and to decide how much risk is appropriate (for each investment pool within each client). The results of the risk-definition process are incorporated into a written investment policy (or a similar documented common understanding between it and its clients) that is adopted. Our working definition for "Investment [portfolio] risk" is the ***degree of exposure to outcomes that are unacceptable to the client***. To assess the range and probability of outcomes in long-term portfolios, FiduciaryVest routinely performs asset allocation modeling studies and delivers recommendations to clients based on the client's individual acceptance of risk exposure.

One exception to this approach is with our employee benefit plan clients where employees/participants are allowed to allocate investments within their plan-account balances by selecting from a menu of investment funds (e.g. 401k). In those instances, instead of the individual, FiduciaryVest works with the plan sponsor's designated fiduciary (typically a committee) who is responsible for the plan's governance. Our process assists the designated fiduciary and involves: (a) providing recommendations for investing categories to be offered to plan participants and (b) conducting formal searches to provide a selection of mutual funds or other investing vehicles that are aligned with the plan participants' range of risk-taking postures.

FiduciaryVest does not represent, warrant, or imply that the services or methods of analysis employed can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. Investment risks involve but are not limited to the following: systematic risk, interest rate risk, inflation risk, currency risk, liquidity and valuation risk, sociopolitical risk, management risk, credit risk and assessment risk. In addition to general risks associated with investing, certain products also have additional risks. This and other important information is contained in the product prospectus.

## Management Risk

While FiduciaryVest manages individual client investment portfolios, or recommends one or more Managers, based on FiduciaryVest's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk we or a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that FiduciaryVest's specific investment choices could

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underperform their relevant indexes.

### Risks of Investments in Mutual Funds and ETFs

As described above, FiduciaryVest or a Manager(s) may invest client portfolios in mutual funds, ETFs or other investment pools (“pooled investment funds”). Investments in pooled investment vehicles are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment vehicles’ success will be related to the skills of their particular managers and their performance in managing their vehicle. Pooled investment vehicles are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

### Equity Market Risks

FiduciaryVest and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security’s prospects.

### Fixed Income Risks

FiduciaryVest and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

### Frequency of Trading

FiduciaryVest does not employ frequent trading strategies.

## Item 9: Disciplinary Information

FiduciaryVest, its Managing Members and Members have no reportable disciplinary, regulatory, or legal events to disclose.

## Item 10: Other Financial Industry Activities and Affiliations

Neither FiduciaryVest, nor any of its management persons has registered, or applied for registration as:

- a broker-dealer, or
- a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person involving such activities.

Neither FiduciaryVest, nor any of its management persons has any material business relationship with any other investment industry business enterprise. As part of its typical and customary role in serving its

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clients, FiduciaryVest recommends or selects other investment advisers for its clients, following a formal search process. FiduciaryVest is compensated directly by its clients for conducting such searches and making these recommendations.

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

FiduciaryVest has adopted a Code of Ethics which sets forth high ethical standards of business conduct that is required of our employees, including compliance with applicable federal securities laws and Employee Retirement Income Security Act (“ERISA”) and regulations under the Internal Revenue Code of 1986.

Our Code requires that employees conduct all business dealings in an ethical fashion, and encourages employees to meet not only the technical requirements but also the spirit of the Code. FiduciaryVest has a duty of care, loyalty, and honesty. FiduciaryVest must act in the client’s best interest.

Our Code has guidelines designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of our clients and (ii) implementing such decisions while, at the same time, allowing employees to invest in their own accounts.

Employees of FiduciaryVest may at times buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, employees may have an interest or position in a certain security which may also be recommended to a client. Employees are prohibited from trading, either personally or on behalf of others, while in the possession of material, nonpublic information. In addition, employees are prohibited from communicating material, nonpublic information to others.

A copy of our Code of Ethics is available upon request.

## **Item 12: Brokerage Practices**

FiduciaryVest does not maintain custody of client assets. Client assets are maintained in an account at a qualified custodian, generally a broker-dealer or custodial bank unless they are directly held private investments.

FiduciaryVest is not affiliated with any custodian. The custodian will hold client assets in a brokerage account, and buy and sell securities when instructed via discretion or non-discretion per client authorization. While FiduciaryVest may recommend a custodian, clients will decide whether to use them and will open their accounts by entering into an account agreement directly with the custodian. FiduciaryVest does not open accounts for clients although we may assist in the process.

FiduciaryVest seeks to recommend custodians who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. FiduciaryVest considers a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades
- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Quality of service

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- Competitiveness of the price of those services and willingness to negotiate prices
  - Reputation, financial strength, and stability
  - Availability of other products and services

Since FiduciaryVest considers all of the factors above in recommending custodians, clients may not receive the lowest possible commission rate or fee for a particular transaction on a particular day.

### Individual Client Account Brokerage

When given discretion to select the brokerage firm that will execute orders in client accounts, FiduciaryVest seeks “best execution” for client trades, which is a combination of several factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, FiduciaryVest may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all FiduciaryVest’s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

FiduciaryVest primarily recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients’ assets. FiduciaryVest will also effect trades for client accounts at Schwab, or may in some instances, consistent with FiduciaryVest’s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although FiduciaryVest may recommend that clients establish accounts at Schwab, to a lesser extent, FiduciaryVest will recommend another service provider depending on a client’s circumstances. It is ultimately the client’s decision to custody assets with Schwab or another service provider. FiduciaryVest is independently owned and operated and is not affiliated with Schwab or any other service provider.

Schwab Advisor Services provides FiduciaryVest with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help FiduciaryVest manage or administer our clients’ accounts while others help FiduciaryVest manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements but are part of the institutional platform offered by Schwab. Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For FiduciaryVest client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to FiduciaryVest other products and services that benefit FiduciaryVest but may not directly benefit its clients’ accounts. Many of these products and services may be used to service all or some substantial number of FiduciaryVest accounts, including accounts not maintained at Schwab.

Schwab’s products and services that assist FiduciaryVest in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate

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payment of FiduciaryVest's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help FiduciaryVest manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to FiduciaryVest. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FiduciaryVest.

Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of FiduciaryVest personnel. In evaluating whether to recommend that client's custody their assets at Schwab, FiduciaryVest may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### Soft Dollar benefits / Broker-dealer referrals

FiduciaryVest has no license or arrangements to accept any of the "soft dollar" payments or benefits that are common in the investment industry, resulting from transactions in a client's account and paid out by the brokerage firm which executes the transactions. In addition, FiduciaryVest's policy prohibits any of its personnel from accepting any other form of reward that might result from transactions in a client's accounts.

FiduciaryVest has no arrangements to receive benefits in exchange for referrals to a broker-dealer.

### Institutional Client-directed, "recapture" Brokerage

As an accommodation to clients, FiduciaryVest occasionally recommends certain types of specialty security brokers to institutional clients who have separately managed accounts (i.e., not for clients' mutual funds). These brokers will be hired directly by the client, under agreements that provide for the client to "re-capture" a portion of gross brokerage commissions generated by those brokers, via the trading of securities in that client's accounts. The factors considered by FiduciaryVest in the recommendation of such re-capture brokers are: (1) the broker's resource commitment to its recapture business, (2) reputation of the broker among investment managers (who will be the parties actually ordering trades) and (3) the rate of re-captured commission rebate to the client.

FiduciaryVest has no securities brokerage license; it is not involved in any phase of the operation of its clients' recapture brokerage accounts, and it will have no arrangements with any party, via which FiduciaryVest can receive any commission from brokers.

## Item 13: Review of Accounts

### Periodic Review of Accounts

The majority of FiduciaryVest client accounts are reviewed on a quarterly basis using analysis that is typically based on monthly data. All accounts are reviewed by experienced investment advisers who are responsible for the service relationship.

Account custodians are responsible for providing monthly or quarterly account statements which reflect

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the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

### Review Intervals

Client account reviews are typically "periodic" in nature (usually quarterly) but may occur more frequently based on market conditions or client account activity.

### Content and Frequency of Written Reports to Clients

It is FiduciaryVest's practice that clients have a written Investment Policy (or a similar documented common understanding between it and its clients) which addresses a number of elements in any systematic approach to long term investment planning and execution. The Investment Policy document includes standards for taking investment risk and measuring return. Accordingly, clients receive formal, written reports, according to the terms of their client service agreement, typically on quarterly frequency; the reports are designed to measure, monitor, and recommend actions for maintaining the client's course toward achievement of its stated objectives, within the client's stated time horizon. FiduciaryVest's periodic reports are therefore "progress reports" (toward client goals and objectives). The reports contain the following elements:

- Measurements of the rates of return produced by the client's overall investment program(s) during the most recent quarter, 1-, 3-, 5-, and 10-year periods, etc. and similar measurements of the returns produced by the underlying investment managers and/or mutual funds.
- Comparisons of the client's returns to those of appropriate market benchmarks (usually indexes).
- Comparisons of the client's actively managed returns to peer group universes of other active managers and/or mutual funds which have similar investment objectives and techniques.
- Commentaries which review the capital markets for recent and long-term periods.
- Evaluative comments and recommendations for either client action, or no action, regarding adjustments, expansions, or modifications of the existing investment program, in order to better align it with the objectives and guidelines stated in the client's Investment Policy.

## Item 14: Client Referrals and Other Compensation

### Client Referrals

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FiduciaryVest does not currently compensate any third parties for client referrals.

In certain circumstances, FiduciaryVest provides additional compensation to certain employees for client referrals. Referred clients do not pay an increased advisory fee.

### Other Compensation

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Independent, unbiased investment advice is not accidental; instead, it must be designed and operationally protected. Therefore, it is FiduciaryVest's policy and philosophy that any referral of a client to a third party for investment related services which triggers compensation to FiduciaryVest will be fully disclosed to that client at the time of the referral.

## Item 15: Custody

Custody is defined as holding, directly or indirectly, client funds or securities, or having any authority to



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obtain possession of them. Since all client funds and securities are maintained with a qualified custodian, we do not take physical possession of any client assets.

Certain activities are deemed to be custody even though an adviser does not take physical custody of a client's account. This includes when a client authorizes FiduciaryVest to deduct advisory fees directly from a client's account. In these instances, clients will receive at least quarterly statements from their account custodian(s). In order to ensure that all account transactions, holdings and values are correct and current, we urge clients to carefully review their custodian statements for accuracy. Should you notice any discrepancies, please notify your custodian and us as soon as possible.

## **Item 16: Investment Discretion**

As described in Item 4 "Discretionary Management Services" FiduciaryVest offers several discretionary services. These services are rendered according to the specific terms of a separate, written client service agreement which defines, among other things, the limits of FiduciaryVest's authority and responsibilities.

## **Item 17: Voting Client Securities**

FiduciaryVest does not vote proxies for clients.

In virtually all FiduciaryVest client situations involving separately managed securities accounts, proxy voting materials are directed to the portfolio management firm which, pursuant to its management agreement, is responsible: (1) to see that proxies are voted, (2) according to voting guidelines developed by the manager and published to its clients.

For FiduciaryVest client accounts that hold mutual funds, the funds' proxy materials are directly received and voted by the client's trustee, or, if none, the FiduciaryVest client, as a matter of policy and practice, has no authority to vote proxies for clients.

If a client specifically requests FiduciaryVest provide proxy voting advice, the inquiry will be directed to the Investment Committee. The FiduciaryVest Investment Committee may choose to provide guidance but is not obligated to do so. If any form of guidance is provided to the client, the Secretary of the Investment Committee will document it in the related client file however, the actual proxy voting remains the responsibility of the client.

## **Item 18: Financial Information**

### **Balance Sheet**

FiduciaryVest does not require nor solicit prepayment of fees six months or more in advance therefore, an audited balance sheet is not required. Furthermore, FiduciaryVest does not hold client assets or own any account(s) created for or devoted to securities trading.

### **Required Disclosure (since Discretionary Management Services are offered)**

FiduciaryVest has no known financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **Bankruptcy**

FiduciaryVest is not and has never been the subject of a bankruptcy petition.