

# **Wealth Management Advisors, LLC DBA**

## **Acuity Wealth Management Advisors**



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October 3, 2023

This Brochure provides information about the qualifications and business practices of Acuity Wealth Management Advisors (“Acuity” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (859) 492-7405. 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.

Acuity is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Acuity is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Acuity is 231788.

## **Item 2 – Material Changes**

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. This other than annual amendment filing updates disclosure within the following sections:

- Item 4 was updated to remove Jeremy Vaughn as an owner.
- Item 5 was updated to include our new fee schedule.
- Vaughn Hall PLLC was removed from Item 10 as an affiliated accounting firm.

Our annual updating amendment filed on March 13, 2023 had the following changes:

- The new Chief Compliance Officer has been updated throughout the brochure.

We will further provide you with a new Brochure as necessary based on changes or new information without charge.

Currently, our Brochure may be requested by contacting Nathan Slyh, Chief Compliance Officer, at (859) 492-7405.

(Brochure Date: 10/03/2023)

(Date of Most Recent Annual Updating Amendment: 03/16/2023)

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Brochure Supplement (see attached)

#### **Item 4 – Advisory Business**

Acuity Wealth Management Advisors (“Acuity”) is owned by Sagacity Holdings, LLC, which is directly owned by entities held by Tammy Farley and Nathan Slyh. The firm has been providing investment advisory services since July 2015.

As of December 31, 2022, Acuity managed total regulatory assets under management of \$114,630,366. Including the assets under advisement of \$22,786,950 within participant-directed employee benefit retirement plans, Acuity manages a total of \$137,417,315.

#### **Investment Management Services:**

Acuity manages investment portfolios for a wide variety of clients including individuals, qualified retirement plans, trusts, charitable organizations and small businesses. Acuity works with a client to determine the client's specific investment objectives and investor risk profile to design a written investment policy statement that describes an asset allocation model that conforms to the client's risk tolerance level and expected rate of return requirements. Investment and portfolio allocation software may be used to evaluate alternative portfolio designs. Acuity evaluates the client's existing investments with respect to the client's investment policy statement and works with new clients to develop a plan to transition from the client's existing portfolio to the desired portfolio. Acuity then continuously monitors the client's portfolio holdings and overall asset allocation strategy and holds regular progress meetings with the client regarding his/her account and other wealth management issues, as necessary.

Acuity will typically create a portfolio of passively managed mutual funds, and may use model portfolios if the models match a client's investment policy. Acuity will allocate a client's assets among various investments taking into consideration the client's risk assessment. The Firm primarily recommends portfolios consisting of no-load mutual funds which follow a passive asset class investment philosophy with low holdings turnover. This strategy usually results in fees and expenses that are lower than those charged by other types of funds.

Client portfolios may also include some individual equity securities if deemed appropriate for the client's investment portfolio or the client specifically requests they be purchased or retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

Acuity manages mutual fund and equity portfolios on a discretionary basis according to the investment policy selected by the client. A client may impose any reasonable restrictions on Acuity's discretionary authority, including restrictions on the types of securities in which Acuity may invest or on specific securities which the client may believe to be appropriate.

Acuity may also recommend fixed income portfolios which consist of managed accounts of laddered individual bond portfolios. The Firm will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. Acuity will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, Acuity may retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain the Firm's consent prior to the sale of any client securities.

Acuity also acts as the Financial Advisor providing investment recommendations to certain trust accounts maintained by an independent third-party. Pursuant to the agreement between the trust company, trustee and Acuity, Acuity is appointed the responsibility to develop investment objectives and investment strategies for the trust assets. However, the execution of the strategies is directly handled by the trust company and not Acuity.

On an ongoing basis, Acuity responds to clients' inquiries regarding their accounts and reviews periodically with clients the performance of their accounts. The Firm periodically reviews each client's investment policy and risk profile and discusses the re-balancing of each client's accounts to the extent appropriate. Acuity provides to the fixed income securities manager any updated client financial information or account restrictions necessary for the fixed income securities manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, Acuity may consult with clients on various financial areas including income and estate tax planning, business sales, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

## **Financial Planning and Consulting Services**

Acuity also offers financial planning and consulting services to clients. Such services will typically be limited in scope and advisory in nature. The types of reports provided to clients will vary depending upon the services requested. In general, Acuity's financial planning and consulting advice will address any or all of the following areas of concern:

- PERSONAL: Family records, budgeting, personal liability, estate information and financial goals.
- EDUCATION: Education IRAs, financial aid, state savings plans, grants, 529 plans, and general assistance in preparing to meet dependent's continuing education needs through development of an education plan.
- TAX and CASH FLOW: Income tax and spending analysis and planning for past, current and future years.
- DEATH and DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- RETIREMENT: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio.

Acuity gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Financial planning clients may also be required to complete an investment-related questionnaire as part of the information gathering process. Related documents supplied by the client are carefully reviewed and various types of written reports may be prepared by Acuity. Should a client choose to implement the recommendations in the report(s), Acuity suggests the client work closely with his/her attorney, accountant, broker or insurance agent. Implementation of financial planning recommendations is entirely at the client's discretion.

Services that do not result in the delivery of a complete Financial Plan document will fall under Acuity's Consulting Services Agreement. Conversely, services that result in the delivery of a complete Financial Plan document will fall under Acuity's Financial Planning Agreement.

## **Employee Benefit Retirement Plan Services:**

For certain retirement plans, Acuity works in coordination and support with Buckingham Strategic Partners (“BSP”). Retirement plan clients will engage both Acuity and BSP, with BSP providing additional discretionary investment management services to the client. BSP will exercise discretionary authority to select the plan investments made available to the plans’ participants by selecting and maintaining the plans’ investments according to the goals and investment objectives of the plan.

Acuity will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Acuity is established in a client’s written agreement with the Firm. Generally, Investment Management and Employee Benefit Plan services will be invoiced to clients in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which Acuity calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client’s account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is initiated or not billed until the next quarter.

Acuity has contracted with Buckingham Strategic Partners (BSP), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Acuity has also contracted with BSP for sub-advisory services with respect to clients’ fixed income accounts. Acuity pays a fee for BSP services based on management fees paid to the Firm on accounts which use BSP. The fee paid by Acuity to BSP consists of a portion of the fee paid by clients to Acuity and varies based on the total client assets participating in BSP through Acuity. These fees are not separately charged to advisory clients. The fee charged by Acuity to its clients includes all sub-advisory fees charged by BSP.

For Investment Management and Employee Benefit Plan clients, Acuity will request authority from the client to receive quarterly payments directly from the client’s account held by an independent custodian. Clients may provide written limited authorization to

Acuity or its designated service provider, BSP, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit Acuity's fee and remit such fee to the Firm.

In certain circumstances, all fees, account minimums and their applications to family or other circumstances may be negotiable based on family relations, firm affiliations or individual circumstances. Individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

A client agreement may be canceled at any time, by either party, without penalty upon receipt of thirty days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Acuity's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds (ETFs) also charge internal management fees which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to Acuity for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. The services provided by Acuity, which are designed, among other things, to assist the client in determining which mutual fund, ETF or funds are most appropriate to each client's financial plan, condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Acuity to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Such charges, fees and commissions are exclusive of and in addition to Acuity's fee, and the Firm shall not receive any portion of these commissions, fees and costs.

**Advisory Fees: *Investment Management Services:***

The annual fee for Investment Management Services will be charged as a percentage of assets under management, according to the schedule below:



<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
On the first \$500,000	1.50%
On the next \$500,000	1.25%
On the next \$1 million	1.00%
On the next \$3 million	0.85%
\$5,000,000+ thereafter	Negotiable

Acuity generally requires a minimum annual fee of \$2,500 but reserves the right to waive this requirement. Fees may be negotiable based on family relations or individual circumstances including account size and the level and scope of the services requested. Employee and individual accounts for immediate family members (such as husband, wife and dependent children) are aggregated, and the fee is charged based on the total value of all family members' accounts.

The formula for calculating investment management fees will be the assets under management times the Annual Fee, divided into a quarter.

#### **Financial Planning and Consulting Fees:**

Acuity provides financial planning and consulting services on a fixed fee, monthly retainer and/or hourly fee basis. These fees are negotiable, but generally range from \$2,500 to \$10,000 on a fixed fee basis, \$200 - \$500 per month on a retainer basis and/or \$200 - \$250 per hour on an hourly rate basis depending on the nature and complexity of the client's circumstances and the level and scope of the services requested. A retainer may be requested upon completion of Acuity's initial meeting with the client; however, advance payment will never exceed \$500 more than six (6) months in advance of services rendered. The balance will be due upon completion of the financial plan or consulting service. All fees are agreed upon prior to entering into a contract with any client.

#### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan. The formula for calculating employee benefit retirement plan services fees will be the assets under advisement times the Annual Fee, divided into a quarter.

<b>Assets Under Management</b>	<b>BSP's Annual Fee</b>	<b>Acuity's Annual Fee</b>	<b>Total Fee</b>
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.08%	0.25%	0.33%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Acuity does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

Acuity offers services to individuals, qualified retirement plans, trust, estates, charitable organizations and business entities. Acuity does not have a minimum account size and client accounts are accepted on a case by case basis.

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

### *Methods of Analysis and Investment Strategy*

Acuity's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Acuity's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions rather than market timing or stock selection. Acuity recommends diversified portfolios principally through the use of passively managed, asset class mutual funds. The Firm selects or recommends to client's portfolios of securities with broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, Acuity's investment strategy seeks to limit risk through broad diversification among asset classes and, as appropriate, investment directly in conservative fixed income securities to represent the fixed income class. Acuity's

investment philosophy is designed for investors who desire a buy and hold strategy. The frequent trading of securities increases brokerage and other transaction costs that the Firm's investment strategy seeks to minimize.

In the implementation of investment plans, Acuity primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. Acuity may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and the Firm may offer advice regarding those assets as part of its services. Advice regarding such assets is offered to clients to evaluate the assets in relation to the client's overall investment plan and does not involve asset management services.

Acuity's strategies do not utilize securities that have unusual risks, and we do not recommend frequent trading which can increase brokerage and other costs and taxes. Acuity receives supporting research from BSP and from other consultants which the Firm utilizes to provide historical market analysis, risk/return analysis, and continuing education.

#### *Analysis of a Client's Financial Condition*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Acuity relies on an analysis of a client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Acuity may use a Monte Carlo simulation which is a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method which may result in the client not being able to achieve his/her financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- The risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less

than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Acuity may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Acuity's investment strategies are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Acuity may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative prospectuses for funds managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Acuity or the integrity of Acuity's management. The Firm has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliated Accounting Firm**

Acuity is affiliated through common ownership and control with Kring, Ray, Farley & Riddle, PSC, a certified public accounting firm. Kring, Ray, Farley & Riddle, PSC may recommend Acuity to accounting clients in need of advisory services. Acuity can recommend Kring, Ray, Farley & Riddle, PSC, to advisory clients in need of tax or accounting services. Accounting

and tax services provided by Kring, Ray, Farley & Riddle, PSC, are separate and distinct from the advisory services provided by Acuity, and are provided for separate and typical compensation.

No Acuity client is obligated to engage any affiliated entity for tax or accounting services.

#### Acuity Risk Management

Some Acuity officers are also officers of Acuity Risk Management, LLC ('Acuity Risk'), an affiliated entity due to common control and ownership with Acuity. Acuity Risk offers life, disability and long-term care insurance products. Associated persons of Acuity are separately licensed as insurance agents of Acuity Risk and may recommend insurance products through Acuity Risk and may receive customary commissions and other related revenues from various insurance companies whose products are sold. In their capacities as insurance agents, these individuals are able to implement recommended insurance transactions for advisory clients for separate and typical commission compensation. While these individuals endeavor at all times to put the interest of the clients first, clients should be aware that the receipt of additional compensation itself creates a conflict of interest. Clients are under no obligation to implement any recommendations made by Acuity Risk.

#### Buckingham Strategic Partners

As described previously in Item 4, Acuity may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios of individual fixed income securities. Acuity has engaged BSP to provide these services. The Firm also contracts with BSP for back-office services and assistance with portfolio modeling. Acuity has a fiduciary duty to select qualified and appropriate managers in the client's best interest: Acuity believes that BSP effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of Acuity makes this assessment on a continuous basis. While the Firm has a contract with BSP, governing a specific time period for back-office services, Acuity has no such fixed commitment to the selection of BSP, for fixed income management services and may select another investment manager for clients upon reasonable notice to BSP.

### **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

Acuity has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Acuity's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth the Firm's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Acuity may buy or

sell securities for their personal accounts identical to/or different than those recommended to clients. It is the expressed policy of the Firm that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Acuity requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer or a Principal of the firm. The Firm also requires such access persons to receive approval from the Chief Compliance Officer or a Principal prior to investing in any initial public offerings or private placements (limited offerings).

Acuity's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. The Firm requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Acuity will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is Acuity's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Acuity will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Acuity arranges for the execution of securities transactions with the assistance of BSP. Through BSP, Acuity participates in the Fidelity Institutional Wealth Services (FIWS) programs sponsored by Fidelity Brokerage Services LLC ('Fidelity') and Schwab Advisor Services ("SAS") services program offered to independent investment advisers by Charles

Schwab & Company, Inc. Fidelity and Schwab are unaffiliated SEC- registered broker dealers and FINRA member broker dealers. Fidelity and Schwab offer to independent investment advisers, services which include custody of securities, trade execution, clearance and settlement of transactions.

The Fidelity and SAS brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Acuity regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to Acuity's service arrangements and capabilities, and the Firm may not accept clients who direct the use of other brokers. As part of these programs, Acuity receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Acuity does not require the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct Acuity as to the broker dealer to be used. In directing the use of a particular broker dealer, it should be understood that the Firm will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

Acuity will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by Acuity on each client's behalf by designating the portfolio manager with trading authority over each client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of the portfolio manager.

FIWS and SAS do not generally charge clients a custody fee and they are compensated by account holders through commissions or other transaction related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker or a custodian and an additional broker. The authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

Acuity generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Acuity arranges transactions. BSP, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an Acuity client's orders may be aggregated with an order for another client of BSP, who is not an Acuity client. See BSP, Form ADV Part 2.

Acuity does not have any arrangements to compensate any broker dealer for client referrals.

When trading client accounts, errors may periodically occur. If the correction of the trade error by the firm results in a loss, Acuity is responsible for that loss. If the correction of the trade error results in a gain, Acuity will remit the gain to the client.

### **Financial Planning Services:**

Acuity's Financial Planning Services, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations. Acuity may recommend any one of several brokers. Acuity clients must independently evaluate these brokers before opening an account. The factors considered by the Firm when making this recommendation are the broker's ability to provide professional services, the Firm's experience with the broker, the broker's reputation, and the broker's financial strength among other factors. Acuity's financial planning clients may use any broker dealer of their choice.

### **Employee Benefit Retirement Plan Services:**

Acuity does not arrange for the execution of securities transactions for participant directed plans utilizing Employee Benefit Retirement Plan Services. Transactions are executed directly through employee plan participation.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and regularly reviewed quarterly by advisory personnel of Acuity. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.



Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation;
- d. market/economic conditions; and
- e. realizing tax losses in an account

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

### **Financial Planning Services:**

Financial Planning accounts will be reviewed in accordance with provisions of the Financial Planning Services agreement executed at the inception of the advisory relationship.

### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly and according to the standards and situations described above for investment management accounts.

### **Reports Provided to Clients:**

### **Investment Management Services and Employee Benefit Retirement Plan Services:**

All clients other than those utilizing Employee Benefit Retirement Plan Services through a Retirement Plan Services Provider (RPSP) will receive quarterly performance reports prepared by BSP and reviewed by Acuity. These quarterly reports summarize the client's account, asset allocation, portfolio performance, current positions, and current market value. Clients will also receive statements from account custodians. Clients utilizing Employee Benefit Retirement Plan Services receive reporting services through their respective RPSPs.

Plan sponsors are provided with quarterly information and annual performance reviews from Acuity. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

### **Financial Planning Services:**

Financial Planning clients will receive reports in accordance with provisions of the Financial

Planning Services agreement executed at the inception of the advisory relationship.

## **Item 14 – Client Referrals and Other Compensation**

### Other Compensation

As indicated under the disclosure for Item 12, Fidelity and SAS provide Acuity with access to services which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit Acuity but may not benefit its clients' accounts. Many of the products and services assist the Firm in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Acuity's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services are generally used to service all or a substantial number of Acuity's accounts. Fidelity and SAS also make available to Acuity other services intended to help the Firm manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Acuity does not, however, enter into any commitments with Fidelity or SAS for transaction levels in exchange for any services or products from Fidelity or SAS. While as a fiduciary, Acuity endeavors to act in its clients' best interests, the Firm's requirement that clients maintain their assets in accounts at Fidelity or SAS may be based in part on the benefit to Acuity of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the Fidelity or SAS, which may create a potential conflict of interest.

Acuity also receives software from a mutual fund company associated with BSP which the Firm utilizes in forming asset allocation strategies and producing performance reports. This fund company also provides continuing education for Acuity personnel. These services are designed to assist the Firm in planning and designing its services for business growth.

### Insurance Affiliations

Please see Item 10 for disclosure on our affiliated insurance entity and the compensation arrangements.

## **Item 15 – Custody**

Investment Management and Employee Benefit Retirement Plan clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Acuity urges its clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. The Firm's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Acuity does not intend to have or assume custody of client funds or securities.

## **Item 16 – Investment Discretion**

Acuity requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority includes the discretion to retain a third-party money manager for fixed income accounts.

Any limitations on this discretionary authority is included in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be submitted in writing.

When selecting securities and determining amounts, Acuity observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Acuity in writing.

## **Item 17 – Voting Client Securities**

Proxy Voting: As a matter of firm policy and practice, Acuity does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients'

investment portfolios. However, the Firm may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Acuity will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or were previously held in client's accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Acuity

to transmit copies of class action notices to the client or a third party. Upon such direction, the Firm will make commercially reasonable efforts to forward such notices in a timely manner.

### **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about Acuity's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.