

**Item 1 - Cover Page**



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**March 30, 2023 Brochure**

This brochure ("Brochure") provides information about the qualifications and business practices of Atlanta Consulting Group Advisors, LLC (the "Adviser"). If you have any questions about the contents of this Brochure, please contact us at (888) 317-2810 or [info@theatlantaconsultinggroup.com](mailto:info@theatlantaconsultinggroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Additional information about the Adviser also is available on the SEC's website at **[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

**Item 2 - Material Changes**

This Form ADV Part 2A brochure (the “Brochure”) is a document that the Adviser provides to its clients as required by SEC and state rules.

The purpose of Item 2 of the Brochure is to provide clients with a summary of new and/or updated information that is contained in the remainder of the Brochure. There have been no material changes to the Brochure since the filing of the Annual Amendment to the Brochure on March 28, 2022.

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## **Item 4 - Advisory Business**

### General Information

The Adviser, a Georgia limited liability company, was formed in February 2017.

### Investment Consulting & Portfolio Management

The Adviser provides non-discretionary investment consulting as well as discretionary portfolio management to retirement plans, including defined benefit plans, defined contribution plans, 401(k) plans, 403(b) plans and 457 plans, trusts, charitable organizations, endowments, foundations, corporations, individuals and high net worth individuals.

### *Investment Goals & Objectives*

At the outset of each client relationship, the Adviser discusses the client's investment objectives and identifies the major investment goals of the client. Based on the information provided by the client, the Adviser will identify the portfolio structure, allocation model, and investment strategies to be utilized with respect to the client.

The Adviser typically considers the client's assets, its capital structure, its operating expectations and its mission. The Adviser may consider the tax implications for a client of strategies that may be used. In addition, the Adviser may consult with the client's outside professionals (*e.g.*, legal, and tax), to ensure the client's strategy is consistent with the client's larger wealth plan and/or investment objectives and goals. With respect to certain matters, the Adviser may advise clients to seek the assistance of outside professionals and coordinate with these outside professionals.

A client's strategy generally will be updated from time to time when requested by the client, or when determined to be necessary or advisable by the Adviser based on updates to the client's financial or other circumstances.

### *Implementing the Strategy*

To implement a client's investment strategy, the Adviser will make recommendations for the client's investment portfolio on a non-discretionary basis or manage the client's investment portfolio on a discretionary basis, in each case pursuant to an advisory agreement with the client. When acting as a non-discretionary investment adviser, the Adviser must receive authorization from the client before executing trades in the account(s) under management. In such instances, the client retains the responsibility for the final decision with respect to all actions taken in the portfolio. When acting as a discretionary investment adviser, the Adviser has the authority to supervise and direct the trading within the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on the Adviser in the management of investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship; however, restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each investment portfolio is treated individually by giving consideration to each investment for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of the Adviser.

### *Separate Account Managers*

The Adviser may recommend or select one or more Separate Account Managers (each, a “Manager”) for a particular client through either the managed accounts program offered by Raymond James & Associates, Inc. (“Raymond James”) or through the Managed Account Select Program offered by Charles Schwab & Co., Inc. (“Schwab”). The Adviser’s access to various Managers allows the Adviser to offer a wide variety of manager styles and provides the opportunity to utilize more than one Manager. Factors that the Adviser considers 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) generally will be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, the Adviser 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 the Adviser.

The Adviser will monitor the investment approach and performance of the Manager(s).

### *Retirement Plan Consulting Services*

The Adviser may provide retirement plan consulting services to employee benefit plans, which include defined benefit plans, defined contribution plans, 401(k) plans, 403(b) plans and 457 plans and their fiduciaries based upon an analysis of the needs of the plans. In general, these services may include existing plan review, asset allocation advice, money management services, communication and education services, investment performance monitoring, and/or ongoing consulting.

### *Wrap Program*

The Adviser may utilize the Managers available in a wrap fee program sponsored by Raymond James (the “Raymond James Wrap Program”). A wrap fee program is one that charges a single fee (the “wrap fee”) for the Adviser’s fee, the fees of any Manager(s) and the brokerage commissions and transaction expenses incurred by the account. The Raymond James Wrap Program 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.

### Principal Owners

Roderick Hennek and Edward Michelson are the principal owners of the Adviser.

### Type and Value of Assets Currently Managed

As of December 31, 2022, the Adviser managed approximately \$969,871,779 on a discretionary basis and \$10,877,862,995 on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### General Fee Information

Clients enter into one of two fee arrangements. Clients may participate in the Raymond James Wrap Program. As discussed above, the Raymond James Wrap Program fee structure includes the brokerage expenses (*e.g.*, commissions, ticket charges, etc.) of the account, charges for custody services, the fees of any Managers, and, in most instances, the management fee paid to the Adviser. Under the all-inclusive billing alternative, Raymond James will assess one client fee that captures the management, brokerage, custody and administrative portions collectively. The Adviser receives

a fixed portion of the Raymond James Wrap Program fees, in accordance with the fees described below under “*Investment Consulting & Portfolio Management Fees*”. Any clients meeting the minimum portfolio size described below may participate in the Raymond James Wrap Program.

Alternatively, clients may pay management fees to the Adviser separately from the brokerage expenses of the account. Accordingly, client accounts pay a management fee, plus the cost of transactions in the account. The brokerage expenses may take the form of asset-based pricing, meaning that the broker-dealer charges the account a flat-rate percentage to cover all brokerage expenses, or these expenses may be assessed on a per-trade basis. Please see ***Item 12 - Brokerage Practices*** for additional information.

In either of these arrangements, the fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, exchange traded funds (“ETFs”) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). The client should review all fees charged by funds, brokers, the Adviser and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### *Investment Consulting & Portfolio Management Fees*

Investment consulting and portfolio management fees are individually negotiated with each client and are generally up to 1.25% annually. Factors considered in determining the fees charged generally include, but are not limited to: the complexity of the client’s portfolio; assets to be placed under management; anticipated future assets; related accounts; portfolio style; account composition; or other special circumstances or requirements. The specific fee schedule will be identified in the advisory agreement between the client and the Adviser.

The minimum portfolio value is generally set at \$5,000,000. The minimum annual fee for any account is \$25,000. The Adviser may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where the Adviser deems it appropriate under the circumstances.

Investment consulting and portfolio management fees are generally payable quarterly, in advance. However, certain non-discretionary accounts may be charged investment consulting fees in arrears. If management begins after the start of a quarter, fees will be prorated accordingly. Fees for accounts not held at Raymond James or Schwab are normally billed directly to the client. Fees for accounts for which Raymond James or Schwab serves as custodian are normally billed directly to the client, but a client may choose to have the fees debited directly from the client account(s). Fees for accounts participating in the managed accounts program offered by Raymond James will be debited directly from the client accounts.

Either the Adviser or the client may terminate their advisory agreement at any time, subject to any written notice requirements in the advisory agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to the Adviser from the client will be invoiced or deducted from the client’s account prior to termination.

#### *Separate Account Manager Fees*

When one or more Managers are utilized outside the Raymond James Wrap Program, including when Managers are utilized through Schwab, the Manager(s)’ fees will be separate from and in addition to the Adviser’s fee.

### *Fees for Retirement Plan Consulting*

In connection with its retirement plan consulting services, the Adviser charges annual asset-based fees in accordance with the annual fees described above. Negotiated fees are generally based on the value of the plan's assets and the complexity of the plan. These fees are normally billed directly to the client but, in certain circumstances, may be directly debited from the client's account by the record-keeper, third party administrator or custodian.

### Other Compensation

*Insurance Disclosure:* Certain employees of the Adviser are also licensed to sell insurance products. In providing advisory services, these individuals may recommend the purchase of products under circumstances where they would be entitled to receive a commission or other compensation in the transaction. In all such circumstances, however, the client will be notified of this payment in advance of the transaction, and under no circumstances will the client pay both a commission to an employee of the Adviser for an insurance product and an advisory fee to the Adviser on the same pool of assets.

*Broker Disclosure:* Certain employees of the Adviser are also Registered Representatives of Kingswood Capital Partners, LLC ("Kingswood"), a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. In order to protect client interests, the Adviser's policy is to fully disclose all forms of compensation before any such transaction is executed. Unless otherwise agreed to in writing, any brokerage commissions generated for an employee of the Adviser in a client account will be used to offset the advisory fee payable to the Adviser on the same account.

As a result of this relationship, certain Adviser employees may have access to confidential information (*e.g.*, financial information, investment objectives, transactions, and holdings) about the Adviser's clients, even if the client does not establish any account through Kingswood. Clients may contact the Adviser for a copy of Kingswood's privacy policy.

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

The Adviser currently does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because the Adviser has no performance-based fee accounts, it has no side-by-side management.

## **Item 7 - Types of Clients**

The Adviser serves retirement plans, including defined benefit plans, defined contribution plans, 401(k) plans, 403(b) plans and 457 plans, trusts, charitable organizations, endowments, foundations, corporations, individuals and high net worth individuals.

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

### Methods of Analysis

The Adviser uses a variety of methods of analysis in formulating its advice. Generally, the Adviser employs one or more of the following investment processes for clients:

- **Asset Allocation** – the Adviser develops a customized, strategic investment structure to meet clients’ unique goals and objectives. Utilizing key data (*e.g.*, actuarial assumptions, spending rates, etc.), the Adviser internally develops capital market assumptions using third party asset allocation modeling software. The Adviser works with clients to determine the appropriate asset allocation based on the client’s objectives, constraints, risk tolerance, and other factors.
- **Investment Manager Evaluation, Search, & Selection** – the Adviser’s investment manager search process begins with an understanding of the client’s requirements, preferences, and existing portfolio. The Adviser conducts quantitative and qualitative evaluations of investment managers. Quantitative analysis indicates what caused an investment manager’s performance, whereas qualitative analysis, including operational due diligence for alternative asset classes, illustrates the future potential of an investment manager’s performance.
- **Performance Measurement & Evaluation** – the Adviser provides custom performance reports that illustrate a portfolio’s performance over a variety of time periods. The Adviser’s analysis and reporting capabilities include Manager performance versus static or custom indices, asset allocation analysis, portfolio performance and attribution analysis, and manager universe comparisons. Additionally, the Adviser compares client portfolios to a variety of industry data to help benchmark client portfolios to peers.

#### Investment Strategies

The Adviser’s primary investment strategy for client accounts is strategic asset allocation using passive and/or active managers. This means that the Adviser will use index funds as well as actively managed funds, including third-party Managers, hedge funds, private equity, or a combination of the foregoing. There is a preference for actively-managed funds in asset classes where a manager can provide alpha. Portfolios are globally diversified to control the risk associated with capital markets. The investment strategy for a specific client is based upon the client’s investment goals and objectives.

The Adviser offers investment advice with respect to a number of different assets classes, including, but not limited to, the following:

#### **Equity**

- All Cap (Core, Growth, Value)
- Emerging Market
- Global
- International (Core, Value, Growth)
- International (1 Country / Region)
- International / Global Small-Cap
- Large-Cap (Core, Growth, Value)
- Mid-Cap (Core, Growth, Value)
- REITs
- MLPs
- Sector Specific
- Small-Cap (Core, Growth, Microcap, Value)
- Small/Mid-Cap (Core, Growth, Value)

**Fixed Income**

- Convertible
- Emerging Markets
- Core / Core Plus
- Government Short, Intermediate, Long
- High Yield
- Various Duration Strategies
- International / Global
- Money Market
- Municipal (Various Maturities)
- Stable Value

**Alternatives**

- Hedge Funds (direct & fund of funds)
- Private Capital (direct & fund of funds)
- Private Real Estate (direct & fund of funds)

**Other**

- Asset Allocation
- Balanced
- Other, Specialty
- Target Date / Life Cycle

**Risk of Loss**

While the Adviser seeks to diversify clients' investment portfolios across various asset classes consistent with their investment goals and objectives in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While the Adviser manages client investment portfolios or recommends one or more Managers based on the Adviser'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 that the Adviser or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that the Adviser's or a Manager's specific investment choices could underperform their relevant indexes.

*Economic Conditions.* Changes in economic conditions, including, for example, interest rates, inflation rates, employment conditions, competition, technological developments, political and diplomatic events and trends, and tax laws may adversely affect the business prospects or perceived prospects of companies. While the Adviser or a Manager performs due diligence on the companies in whose securities it invests, economic conditions are not within the control of the Adviser or the Manager and no assurances can be given that the Adviser or the Manager will anticipate adverse developments.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, the Adviser and any Managers may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds 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 funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940, as amended.

*Risks Related to Alternative Investment Vehicles.* From time to time and as appropriate, the Adviser and any Managers may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective managers. When the investment objectives and strategies of a manager are out of favor in the market or a manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the managers make unsuccessful investment decisions at the same time.

*Large-Capitalization Company Risk.* The Adviser and any Managers may invest a portion of a client's portfolio in large-capitalization companies. Large-capitalization companies are generally more mature and may be unable to respond as quickly as smaller companies to new competitive challenges, such as changes in technology and consumer tastes, and also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

*Small-Capitalization Company Risk.* The Adviser and any Managers may invest a portion of a client's portfolio in small-capitalization companies. Investing in small-capitalization companies involves greater risk than is customarily associated with larger, more established companies. Small-capitalization companies frequently have less management depth and experience, narrower market penetrations, less diverse product lines, less competitive strengths and fewer resources than larger companies. Due to these and other factors, stocks of small-capitalization companies may be more susceptible to market downturns and other events, and their prices may be more volatile than larger capitalization companies. In addition, in many instances, the securities of small-capitalization companies typically are traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Because small-capitalization companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy or sell significant amounts of such shares without an unfavorable impact on prevailing prices. Therefore, the securities of small-capitalization companies may be subject to greater price fluctuations. Small-capitalization companies are typically subject to greater changes in earnings and business prospects than larger, more established companies and also may not be widely followed by investors, which can lower the demand for their stock.

*Equity Market Risks.* The Adviser and any Managers 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 investment funds 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.* The Adviser and any Managers 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). The Adviser and any Managers may invest portions of client assets into securities that are rated below investment grade (commonly known as "high yield" or "junk bonds"). Securities which are in the lower-grade categories generally offer a higher current yield than is offered by higher-grade securities of similar maturities, but they also generally involve greater risks, such as greater credit risk, greater market risk and volatility, and greater liquidity concerns. These investments are generally considered to be speculative based on the issuer's capacity or incapacity to pay interest and repay principal.

*Foreign Securities Risks.* The Adviser and any Managers may invest portions of client assets into securities of foreign issuers or issuers economically tied to countries outside the United States or into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

*Emerging Markets Investments.* The Adviser and any Managers may invest portions of client assets directly and indirectly in emerging market equity and fixed-income securities. Emerging market countries may include, among others, countries in Asia, Latin, Central and South America, Eastern Europe, the Middle East and Africa. In addition to the general risk of investing in foreign securities described above, investing in emerging markets can involve greater and more unique risks than those associated with investing in more developed markets. The securities markets of emerging countries are generally small, less developed, less liquid, and more volatile than securities markets of the United States and other developed markets. The risks of investing in emerging markets include greater social, political and economic uncertainties. Emerging market economies are often dependent upon a few commodities or natural resources that may be significantly adversely affected by volatile price movements against those commodities or natural resources. Emerging market countries may experience high levels of inflation and currency devaluation and have fewer potential buyers for investments. The securities markets and legal systems in emerging market countries may only be in a developmental stage and may provide few, or none, of the advantages and protections of markets or legal systems in more developed countries. Some of these countries may have in the past failed to recognize private property rights and have at times nationalized or expropriated the assets of private companies. Additionally, if settlements do not keep pace with the volume of securities transactions, they may be delayed, potentially causing a client's assets to be uninvested, to miss investment opportunities and potential returns, and/or to be unable to sell an

investment. As a result of these various risks, investments in emerging markets are considered to be speculative and may be highly volatile.

*Lack of Diversification.* Client accounts may not have a diversified portfolio of investments at any given time, and a substantial loss with respect to any particular investment in an undiversified portfolio will have a substantial negative impact on the aggregate value of the portfolio.

## **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 a client's evaluation of the Adviser or the integrity of the Adviser's management. The Adviser has no disciplinary events to report.

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

Certain employees of the Adviser are also licensed to sell insurance products. As such, these employees are entitled to receive commissions or other remuneration on the sale of insurance and other products. In addition, certain employees of the Adviser are also Registered Representatives of Kingswood, a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. In order to protect client interests, the Adviser's policy is to fully disclose all forms of compensation before any such transaction is executed. Unless otherwise agreed to in writing, any brokerage commissions generated for an employee of the Adviser in a client account will be used to offset the advisory fee payable to the Adviser on the same account. Clients are not obligated, contractually or otherwise, to use the services of these insurance agents or Registered Representatives. Please see *Item 5 – Fees and Compensation* for more information.

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

### Code of Ethics and Personal Trading

The Adviser has adopted a Code of Ethics (the "Code"), the full text of which is available to clients upon request. The Adviser's Code has several goals. First, the Code is designed to assist the Adviser in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), the Adviser owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires the Adviser associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for the Adviser's associated persons (managers, officers and employees). Under the Code's Professional Standards, the Adviser expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, the Adviser associated persons are not to take inappropriate advantage of their positions in relation to the Adviser's clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, the Adviser's associated persons may invest in the same securities they recommend to clients. This may create a conflict of interest because associated persons of the Adviser may invest in securities ahead of or to the exclusion of the

Adviser's clients. Under its Code, the Adviser has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, including generally disallowing trading by an associated person in any security within one day before any client account trades or considers trading the same security and the creation of a restricted securities list, reporting and review of personal trading activities and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

As outlined above, the Adviser has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflict of interest, the Adviser's goal is to place client interests first.

If associated persons trade with client accounts (*e.g.*, in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with the Adviser's written policy.

### **Item 12 - Brokerage Practices**

#### Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, the Adviser seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, the Adviser may use 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 of the Adviser's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

The Adviser typically recommends that clients establish brokerage accounts with Raymond James or with Schwab, each a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets. Raymond James or Schwab, as applicable, will hold client assets in a brokerage account and buy and sell securities when the Adviser instructs them to. The Adviser may effect trades for client accounts at Raymond James or at Schwab, or may in some instances, consistent with the Adviser's duty of best execution and specific advisory agreement with each client, elect to execute trades elsewhere. Although the Adviser may recommend that clients establish accounts at Raymond James or Schwab, it is ultimately the client's decision where to custody assets. The Adviser does not open an account with Raymond James or Schwab for clients, although the Adviser may assist clients in doing so. The Adviser is independently owned and operated and is not affiliated with Raymond James or with Schwab.

The Adviser participates in both the Raymond James platform and the Schwab Advisor Services platform, each of which provides access to institutional trading, custody, reporting and related services, many of which are not typically available to retail customers. While there is no direct link between the investment advice the Adviser provides and participation in these platforms, the Adviser receives certain economic benefits from these platforms.

Through these platforms, the Adviser receives access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products include some to which the Adviser might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. In addition, the Adviser receives certain benefits, which may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of the Adviser's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of the Adviser's accounts, including accounts not held at Raymond James or Schwab.

Raymond James and/or Schwab may also make available to the Adviser other services intended to help the Adviser manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Raymond James and/or Schwab may make available, arrange and/or pay for these types of services to be rendered to the Adviser by independent third parties. Raymond James and/or Schwab may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to the Adviser, and/or Raymond James or Schwab may pay for travel expenses relating to participation in such training.

The availability of the services received through participation in the Raymond James platform and the Schwab platform benefit the Adviser because the Adviser does not have to produce or purchase them. In addition, Schwab has agreed to pay certain amounts that the Adviser would otherwise incur for technology, research, marketing and compliance consulting products and services once the value of the Adviser's client assets in accounts at Schwab reaches a specified threshold. The services are not contingent upon the Adviser committing any specific amount of business to Raymond James or Schwab in trading commissions or assets in custody. The benefits are received by the Adviser from Raymond James and Schwab, in part because of commission revenue generated for Raymond James and Schwab by activity in the accounts of the Adviser's clients. This means that the investment activity in client accounts is indirectly beneficial to the Adviser. The Adviser has an incentive for the Adviser to continue to recommend Raymond James and/or Schwab to its clients, based on the Adviser's interest in receiving Raymond James or Schwab's services that benefit the Adviser's business, as well as Schwab's payment for services for which the Adviser would otherwise have to pay, rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of the client's transactions. This is an actual or apparent conflict of interest. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, the Adviser believes that Raymond James and Schwab provide an excellent combination of scope, quality and price of services. These services are not soft dollar arrangements, but are part of the institutional platforms offered by Raymond James and Schwab.

#### Directed Brokerage

Clients may direct the Adviser to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangements that the Adviser has with Raymond James and Schwab are designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing the Adviser to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with the Adviser that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

The Adviser may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows the Adviser to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

The Adviser will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of the Adviser's advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

The Adviser will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment over time, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of the Adviser. The Adviser's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account.

Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and the Adviser will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

### **Item 13 - Review of Accounts**

Managed portfolios are reviewed periodically and from time to time if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by the Adviser. These factors may include, but are not limited to, the following: changes in general client circumstances or changes in economic, political or market conditions. One of the Adviser's investment adviser representatives or principals is responsible for reviewing all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect 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. The Adviser will provide additional written reports as needed or requested by the client. Clients should carefully compare the statements that they receive from the Adviser against the statements that they receive from their account custodian(s).

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

As noted above, the Adviser receives benefits from Raymond James and Schwab through participation in their institutional platforms in the form of support products and services made available to the Adviser based on the amount of client assets held at Raymond James or Schwab. In addition, Schwab has agreed to pay for certain products and services for which the Adviser otherwise would have to pay once the value of clients' assets in accounts at Schwab reach a certain threshold. Please see *Item 12 - Brokerage Practices* for more information.

Schwab is not paid to refer clients to the Adviser.

The Adviser has entered into an Advisory Referral Agreement whereby the Adviser pays Raymond James for client referrals by certain employees who are registered representatives of Raymond James. Under this arrangement, Raymond James is compensated based on a percentage of the advisory fees that are received from each client referred by the applicable registered representatives.

Certain employees of the Adviser are also licensed to sell insurance products. These employees will earn commission-based compensation for selling insurance products, including insurance products sold to clients of the Adviser. In addition, certain employees of the Adviser are also Registered Representatives of Kingswood, a FINRA and SIPC member and registered broker-dealer. As such, these employees are entitled to receive brokerage commissions. Insurance commissions and brokerage commissions earned by employees of the Adviser are separate from the Adviser's advisory fees. Please see *Item 5 - Fees and Compensation* for more information.

## **Item 15 - Custody**

The Adviser typically recommends that clients select Raymond James or Schwab as the custodian of their accounts, but clients may select an alternate custodian for their accounts. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements, which will be sent to the email or postal mailing address provided to Raymond James or Schwab. Clients are advised to review this information carefully, and to notify the Adviser of any questions or concerns. Clients are also asked to promptly notify the Adviser if the custodian fails to provide statements on each account held.

From time to time and in accordance with the Adviser's advisory agreement with clients, the Adviser will provide additional reports. As mentioned above, the account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

With respect to the assets in those client accounts from which the Adviser's fees are directly debited, the Adviser is deemed to have custody but is not subject to the surprise examination requirement pursuant to Rule 206(4)-2(b)(3) under the Advisers Act.

## **Item 16 - Investment Discretion**

As described in **Item 4 - Advisory Business**, the Adviser will accept clients on either a non-discretionary or discretionary basis. For *non-discretionary* accounts, clients may execute a Limited Power of Attorney ("LPOA"), which allows the Adviser to carry out investment recommendations and approved actions in the portfolio. However, in accordance with the advisory agreement between the Adviser and the client, the Adviser does not implement investment recommendations or other actions in the account unless and until the client has approved the recommendation or action. Clients may limit the terms of the LPOA, subject to the Adviser's advisory agreement with the client and the requirements of the client's custodian.

For *discretionary accounts*, an LPOA is executed by the client, giving the Adviser the authority to carry out various activities in the account, generally including the following: (i) trade execution; (ii) the ability to request checks on behalf of the client; and (iii) the withdrawal of advisory fees directly from the account. The Adviser then directs investment of the client's portfolio using its discretionary authority. As with non-discretionary accounts, the client may limit the terms of the LPOA to the extent consistent with the client's advisory agreement with the Adviser and the requirements of the client's custodian.

## **Item 17 - Voting Client Securities**

As a policy and in accordance with the Adviser's advisory agreement, the Adviser does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the Manager(s), if any, or as otherwise directed by the client. Clients may contact the Adviser with questions relating to proxy procedures and proposals; however, the Adviser generally does not research particular proxy proposals.

**Item 18 - Financial Information**

The Adviser does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.