



## PLUM STREET ADVISORS LLC Form CRS - Client Relationship Summary March 31, 2023

Plum Street Advisors LLC (referred to herein as “we,” “us,” or “our”) is registered with the Securities and Exchange Commission as an investment advisor. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available for you to use to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

### WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Our firm provides investment advisory services to individuals and high net-worth individuals. Our services combine financial planning services and portfolio management services. We interfuse financial planning advice and recommendations with portfolio management strategies to assist us in determining your financial goals and objectives. There is no minimum investment amount required to engage our firm for investment advisory services. Upon engagement, we will use the data regarding your financial circumstances, investment goals and objectives, tax status, and other factors to develop an investment policy statement. The investment policy statement assists us in developing an investment portfolio to meet your financial goals and objectives.

Our firm only provides portfolio management services under discretionary authority. The advisory contract you sign gives our firm discretionary trading authority to make decisions (initial and ongoing) about your investment portfolio. When we use discretionary authority, our investment decisions do not require your approval; however, we implement the agreed-upon investment management strategy based on your investment policy statement and the analysis of your financial circumstances. Client portfolios are typically invested in exchange-traded funds, mutual funds, cash equivalents, and occasionally options. Although we have discretionary trading authority, you may impose reasonable restrictions on our authority. Typical limits might include investments in certain asset classes, industries, companies, or specific dollar amounts in the foregoing.

As a separate service, our firm recommends separately managed portfolios as investment vehicles. When we utilize separately managed portfolios, your assets are invested with third-party investment management platforms that offer model-based investment strategies with objectives that align with your investment objectives and risk tolerance. We are responsible for providing ongoing advice, monitoring, and continuous review of the performance of your investment assets managed by these platforms. We will also use our discretionary trading authority to select different investment strategies or portfolios.

We monitor all of your investment assets continuously during our advisory relationship. We will use our discretionary trading authority to adjust the investments in your portfolio(s) due to changes in economic or market conditions or other relevant factors, such as changes in your financial circumstances.

For additional information, please review the following sections of our Brochure: [Advisory Services](#), [Types of Clients](#), and [Investment Discretion](#).

**Ask your financial professional these questions about our relationships and services:**

- Given my situation, should I choose an investment advisory service? Why or Why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### WHAT FEES WILL I PAY?

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

Our firm charges an annual asset-based investment advisory fee. The investment advisory fee is based on a percentage of the investment assets we manage for you. Our fee schedule is detailed in the Fees and Compensation section of our Brochure. Our investment advisory fee schedule for combined financial planning and portfolio management services is non-negotiable.

We bill you quarterly in arrears for our combined financial planning and portfolio management services. Quarterly in arrears means at the end of each calendar quarter. The fee calculation is based on the value of the investment assets in your portfolio(s), including accrued interest, if applicable, on the last business day of the previous quarter. For advisory fee calculation and billing purposes, we group accounts held by members of the same household.

The collective advisory fees for separately managed portfolio services range up to 1.90% per annum. Advisory fees are based on the value of the investment assets in accounts managed by the specific third-party investment management platform. We deduct our advisory fees directly from your account(s), and the third-party investment management platform separately deducts its portion of the advisory fees directly from your advisory account(s). Other than our investment advisory compensation, we do not charge additional fees for separately managed portfolio services.

In addition to the advisory fees you pay us, additional fees and costs are associated with investing. These include transaction costs, internal mutual fund expenses, wire transfers, electronic fund transfer fees, mailing fees, insufficient funds fees, and regulatory fees for securities sold, among others. Please feel free to inquire about additional fees and costs that impact your investments. We will provide you with a detailed listing of fees and expenses upon your request.

For additional information, please review the [Fees and Compensation](#) section in our Brochure.

**Ask your financial professional this question about the impact of fees and costs on investments:**

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000, how much will go to fees and costs, and how much will be invested for me?

## WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISOR? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS DO YOU HAVE?

**When we act as your investment advisor, we have a fiduciary duty to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.**

Our legal obligation to you requires us to act with a substantial duty of care and to operate pursuant to a commitment of loyalty which means that we are required to provide advice and recommendations that are in your best interest.

In adhering to our duty of care mandate, we must obtain detailed information regarding your financial circumstances. We must ensure our recommendations align with those financial circumstances. We must also conduct due diligence regarding the investments we recommend to you and monitor our recommendations continually over the advisory relationship.

Our duty of loyalty to you requires our firm to provide advice that is free from self-interest and to always place your interests before our own. We must make full and fair disclosure of all material facts related to our advisory services. We are also required to avoid or disclose circumstances where our interests actually conflict, could potentially conflict, or have an appearance of conflict with your interests.

We have inherent conflicts of interest related to how our firm conducts business and makes money. Some of our business arrangements create conflicts of interest. For instance, we receive economic incentives from the account custodians that provide custody and safekeeping for your investment assets and portfolios. As a result of our agreement with the account custodians and recommendation that you use them, our firm is provided with certain support products and services that directly benefit our advisory business. This business arrangement creates a conflict of interest because we have an economic incentive to make this recommendation.

The way our firm makes money conflicts with your interests. We make money by charging you an annual asset-based investment advisory fee. The prospect of additional fee revenue incentivizes us to encourage you to invest more assets with us. We earn additional advisory fees as a result of managing more investment assets for you. The incentive to increase our assets under management and fee revenue creates an inherent conflict with your interests.

Please review the following sections of our Brochure: [Advisory Services](#), [Other Financial Industry Activities and Affiliations](#), [Code of Ethics](#) and [Brokerage Practices](#) for additional information regarding our conflicts of interest.

***Ask your financial professional this question about our conflicts of interest:***

- How might your conflicts of interest affect me, and how will you address them?

## HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are paid salaries from our firm. Some financial professionals also receive a percentage of the firm's revenues earned from the investment assets that clients engage us to manage.

## DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE A LEGAL OR DISCIPLINARY HISTORY?

NO. Neither our firm nor financial professionals have a legal or disciplinary history. Please also visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to use to research our firm and financial professionals.

***Ask your financial professional these questions about legal or disciplinary history information:***

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**For additional information about our investment advisory services**, visit our website [www.plumstreetadvisors.com](http://www.plumstreetadvisors.com) or review the full copy of our Brochure, as attached. If you would like additional, up-to-date information or a copy of this relationship summary, please contact David Dirks, chief compliance officer, by phone at (781) 514-5142 or by email at: [david.dirks@plumstreetadvisors.com](mailto:david.dirks@plumstreetadvisors.com).

***Ask your financial professional these questions about our firm and supervisory contacts:***

- Who is my primary contact person?
- Is he or she a representative of an investment advisor or broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?

**SUMMARY OF CHANGES**  
**PLUM STREET ADVISORS LLC**  
**FORM CRS - CLIENT RELATIONSHIP SUMMARY**  
MARCH 31, 2023

We have amended the last version of our Form CRS, dated November 4, 2022, to add Separately Managed Portfolio Services. Regulations require that we advise you of the changes and revisions to this disclosure document. Accordingly, our changes are outlined below:

**Section:** Relationships and Services

**Header:** What Investment Services and Advice Can You Provide Me?

**Change(s):** In this section, we've added a third paragraph explaining that we now offer separately managed portfolios as investment vehicles.

**Section:** Relationships and Services

**Header:** What Fees Will I Pay?

**Change(s):** In this section, we added a third paragraph explaining the fees, compensation, and billing procedures relative to our offering of separately managed portfolio services.

END OF FORM CRS CHANGE REPORT  
(11.04.2022 vs 03.31.2023)

**BROCHURE**  
(Form ADV Part 2A)



**PLUM STREET ADVISORS LLC**

***Louisiana Office***  
1133 Lowerline Street  
New Orleans, Louisiana 70118  
**Office:** (504) 517-5107

***Massachusetts Office***  
154 Wells Avenue, Suite 3  
Newton, Massachusetts 02459  
**Office:** (781) 514-5142

**Web:** plumstreetadvisors.com

**Firm Contact**

David Dirks

Chief Compliance Officer

**Email:** david.dirks@plumstreetadvisors.com

**March 31, 2023**

This brochure (“Brochure”) provides you with information about the qualifications and business practices of *Plum Street Advisors LLC*. It contains information that you should consider before becoming a client of our firm.

The information contained herein has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration of an investment adviser firm does not imply a certain level of skill or training. We have only filed the requisite registration documents with respective governmental entities in the appropriate jurisdictions.

If you have any questions about the contents of this Brochure, please contact us by telephone at (504) 517-5107. Additional information about Plum Street Advisors, LLC (CRD No. 283917) can be found on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by a search using the firm’s CRD number.

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## **MATERIAL CHANGES**

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### **Plum Street Advisors Material Changes**

**This version of our Brochure, dated March 31, 2023, is an annual amendment. The following are the changes to our business practices since our last amendment in November of 2022:**

#### **Advisory Services**

##### **Assets under Management**

We have updated our assets under management as required by regulations. We manage a total of \$181,281,165\* in client assets on a discretionary basis. \*Our asset values are based on calculations as of December 31, 2022.

##### **Separately Managed Portfolio Services**

We now offer Separately Managed Portfolio Services. Please review the applicable details of this advisory service offering in the following sections: Types of Advisory Services, Fees and Compensation, Methods Of Analysis, Investment Strategies, And Risk Of Loss, Review of Accounts, and Discretionary Authority.

##### **Brokerage Practices**

We have added Fidelity Brokerage Services, Inc. as an account custodian in anticipation of a custodial services engagement.

##### **General Revisions**

We have revised some language and content to ensure that our disclosures are concise and unambiguous.

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## ADVISORY SERVICES

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### About Our Business

Plum Street Advisors LLC (also referred to herein as “we,” “us,” or “our”) is a wealth management firm that provides financial planning consultations and advice relative to portfolio management strategies. Our firm is a Louisiana limited liability company with offices in the states of Louisiana and Massachusetts. We began managing our clients’ investments and providing financial advice in July of 2016.

Mr. James Osborn and Mr. David Dirks are members and the principal owners of our firm, and both own equal interests. Mr. Osborn and Mr. Dirks are also investment advisor representatives. Mr. Dirks is the chief compliance officer.

### Types of Advisory Services

We are a boutique wealth management firm that provides customized, comprehensive, goals-based financial plans and investment management strategies based on our client’s specific goals, objectives, and needs. A detailed explanation of our services is as follows:

#### **1. Combined Financial Planning and Portfolio Management Services**

We interfuse financial planning methodologies and analyses with portfolio management services to assist clients in reaching their financial goals. We develop a lifetime financial model by evaluating strategic plans and model data relative to a client’s financial circumstances, investment goals and objectives, risk tolerance, and tax status. Our report may include but is not limited to information that analyzes net worth, debts, consumption, retirement goals, college plans, insurance, and estate planning matters.

Our discretionary portfolio construction and investment management services are used to implement the lifetime financial model and assist our clients in meeting their financial goals and objectives. Our investment advice encompasses recommendations regarding utilizing exchange-traded funds, mutual funds, and occasionally options to build broadly diversified investment portfolios.

As applicable, we also advise clients regarding investments or accounts held by a different custodian, including but not limited to annuities, plan participant 401(k) and 403(b) assets, donor-advised funds, and 529 plan investments. We evaluate these assets or accounts as a part of a client’s comprehensive financial circumstances and recommend allocating assets among the various options available within the product or plan.

#### **2. Retirement Plan Advisory Services**

We provide investment advisory services to trustees and sponsors of retirement plans. Details regarding our retirement plan advisory services are as follows:

Defined Benefit Plan Services. We provide advisory services to sponsors and trustees of defined benefit plans. Our services include advice regarding plan design, investment strategies, analysis of allocations, and ongoing investment performance monitoring. We also assist organizations with developing investment policy statements, establishing procedures for the investment committee, evaluating vendor services, and providing educational support services to plan participants. Our services may also include advice regarding records management and plan administration.

Defined Contribution Plan Services. We provide consulting services to sponsors and trustees of ERISA and non-ERISA defined contribution plans. Our advisory consultation services guide the plan with design and governance assistance, vendor comparisons and cost analyses, investment policy reviews, and recommendations regarding investment selection, allocation, monitoring, evaluation, and performance. Plan sponsors may also request that we provide non-fiduciary consulting services, such as educational seminars, to help plan participants understand the investment options offered by the plan. Consulting services to the plan and general education services may be combined or provided separately.

#### **3. Separately Managed Portfolio Services**

We analyze, select, and recommend third-party investment management platforms of other investment advisors with model portfolios and managed investment strategies to meet our client’s financial needs and objectives. Third-party investment managers are institutional investment advisors who offer investment management services through advisory platforms that generally focus on particular investment models, styles, and strategies. We typically access these platforms by sub-advisory, co-advisory, or endorsement (solicitor’s) agreements. Moreover, although we utilize separately managed portfolio services or third-party investment management platforms, we are responsible for ongoing monitoring and rebalancing of our client’s assets, investments, and accounts. Our firm currently recommends advisory services through the following platform(s):

**Atom Investors LP (Atom)**

Atom's Index Pro platform uses quantitative models and tools to incorporate specifications for benchmark tracking, factor or sector exposures, socially responsible investing ("SRI") and environmental, social, and governance ("ESG") values, other investment themes (e.g., artificial intelligence, robotics, and clean energy), and tax management for a client's investment assets.

Our firm reserves the right to use other or additional third-party investment management platforms for separately managed portfolio services.

**Tailored Services**

Our advice and services are based on the individual needs of a client after analyzing and thoroughly evaluating the client's goals, objectives, investment horizon, and risk tolerance. Clients may impose restrictions on investing in certain asset classes or specific types of securities by advising their investment advisor representative of such limitations.

**Wrap Fee Programs**

We are not a participant in any wrap fee program.

**Assets under Management**

We manage a total of \$181,281,165\* in client assets on a discretionary basis. \*Our asset values are based on calculations as of December 31, 2022.

**FEES AND COMPENSATION****Advisory Fees**

We earn fees and compensation by providing comprehensive financial planning advice, constructing portfolios, and advising clients regarding specific investment strategies. Our advisory fees for services are as follows:

**1. Combined Financial Planning and Portfolio Management Services****Portfolio Management Services Fee Schedule**

Market Value of Assets Under Management		Annual Rate
From:	To:	
\$0	\$ 500,000	<b>0.90%</b>
\$ 500,001	\$1,000,000	<b>0.60%</b>
\$1,000,001	\$4,500,000	<b>0.45%</b>
\$4,500,001	\$7,500,000	<b>0.30%</b>
\$7,500,001 and above		<b>0.20%</b>

Our advisory fees are calculated at blended rates.

A **sample fee calculation** is below:

Investments of **\$1,000,000**

First \$500,000 @ 0.90%

Next \$500,000 @ 0.60%

Quarterly Fee of **\$1,875** or Annual Fee of **\$7,500**

We charge an annual asset-based fee for combined financial planning and portfolio management services. Our advisory fee assessments are based on our portfolio management fee schedule outlined above. Advisory fees for combined financial planning and portfolio management services are non-negotiable due to our fees being lower than most other firms offering comparable services.

**2. Retirement Plan Advisory Services****Retirement Plan Advisory Services Fee Schedule**

Market Value of Plan Assets	Annual Rate
Up to \$100,000,000	Up to 1.00% of Plan Assets

Defined Benefit Plan Services. In accordance with the fee schedule above, our management fees for defined benefit advisory services are assessed at an annual rate of up to 1% of investable plan assets. Fees for services



are based on the value of the assets under management (or advisement) and the level of complexity involved in managing the plan assets. Fee assessments for defined benefit advisory services may be allocated separately or collectively among the various services for the plan and participants. Fees for defined benefit plan services are negotiable. The final annual rate, as agreed upon, will be outlined in our plan advisory agreement.

**Defined Contribution Plan Services.** Our consulting fees for advisory services to defined contribution plans are assessed at an annual rate of up to 1%, as outlined in the retirement plan advisory services fee schedule detailed above. Fees are based on the type of services requested by the plan sponsor, such as the frequency of consultations and the level of quantitative and qualitative details requested for the investment process overviews and analyses. Advisory fees may be allocated separately or collectively among the different plan advisory and general education services for participants. Fees for defined contribution plan services are negotiable. The final annual rate, as agreed upon, will be outlined in our plan advisory agreement.

### **3. Separately Managed Portfolio Services**

The aggregate advisory fees for separately managed portfolio services range up to 1.90% per annum. The aggregate advisory fee includes fees payable to our firm and the third-party investment management platform. Our firm will use the Portfolio Management fee schedule to assess fees for services. Advisory fees for the third-party investment management platform range from 0.3% to 1.0% of the account value managed by the third-party investment management platform. A minimum annual management fee of up to \$2,500 may also apply. More specific details are outlined in the third-party investment management platform's Form CRS, Brochure, advisory fee schedule, management agreement, and other disclosure documents. Our advisory fees are separate from and in addition to the advisory fees payable to the third-party investment management platform. Besides our advisory fees, we do not charge additional fees for recommending clients use a third-party investment management platform. In our investment management agreement, we will disclose an aggregate fee based on a client's initial investment. Changes in the value of a client's account or establishing additional accounts will impact advisory fees and rates.

## **Billing Procedures**

As a part of our billing procedures, concurrent with sending the account custodian fee calculations for advisory fee deductions, we send each client a written advisory fee invoice. Clients are urged to compare our advisory fee invoices to the advisory fees listed in the account statements provided by the account custodian. Please review the following for specific billing details:

### **1. Combined Financial Planning and Portfolio Management Services**

Our advisory fee for combined financial planning and portfolio management services is an annual asset-based fee. Fees for services are billed and due quarterly in arrears. Advisory Fees due for any period of less than one calendar quarter shall be calculated on a pro rata basis, commencing on the date of engagement for advisory services. Accordingly, we transmit our advisory fee calculations to the account custodian electronically shortly after the end of each calendar quarter. Our firm uses trade date valuations (instead of the settlement date) to value investment assets for billing purposes. Fee calculations are based on a percentage of the market value of the assets in the account(s) as listed on a national securities exchange or the principal market where the securities are traded, at the closing price, as of the last trading day of the calendar quarter, as supplied by the account custodian. Additionally, billing valuations for fixed-income securities often include accrued interest. Furthermore, margin interest, if applicable, will accrue monthly.

Upon signing our investment management agreement, clients provide written authorization for our firm to deduct our advisory fees directly from the specified account(s). If there are no assets with available liquidity to deduct advisory fees from the account(s), clients agree to pay advisory fees due by mailing a check to our address.

### **2. Retirement Plan Advisory Services**

**Defined Benefit Plan Services.** Unless otherwise agreed to by our firm and the plan trustees and sponsors, advisory fees for defined benefit plan management services are billed quarterly in arrears. The fee assessment is based on a percentage (or incremental percentages) of plan assets under management and the value of the plan assets as of the close of trading on the last business day of the preceding quarter. Plan trustees and sponsors generally provide written authorization for our firm to deduct advisory fees directly from plan assets.

**Defined Contribution Plan Services.** Fees for advisory consultation services are billed as mutually agreed to by the plan sponsor and our firm. Advisory fees for defined contribution consultation services are typically payable upon completion of the consultation session(s), although advisory fees may be deducted from plan assets. If advisory fees are deducted from plan assets, the direct debit occurs quarterly in arrears. A quarterly advisory fee assessment is based on a percentage (or incremental percentages) of plan assets under advisement and the

value of the plan assets as of the close of trading on the last business day of the preceding quarter. Advisory fees for defined contribution plan consultations are typically deducted from plan assets.

### **3. Separately Managed Portfolio Services**

Our advisory fees for separately managed portfolio services are billed and due quarterly in arrears. Advisory fee assessments are based on the value of the assets in each account on the last day of the previous calendar quarter. We deduct our portion of the advisory fees directly from the client's account(s). The third-party investment management platform deducts its advisory fees quarterly in advance. The third-party investment management platform's Form CRS, Brochure, advisory fee schedule, management agreement, and other disclosure documents outline the specific billing procedures. Accordingly, pursuant to the client's written authorization as incorporated in the third-party investment management agreement, the third-party investment management platform deducts its portion of the advisory fees directly from each client account on its platform.

## **Other Fees & Expenses**

Clients will also incur additional third-party fees and expenses ("third-party fees") related to managing investments and advisory service provisions. These fees may include but are not limited to no-load mutual fund ticket charges, brokerage transaction costs, deferred sales charges on previously purchased mutual funds, IRA maintenance fees, and other legal or transfer fees. The account custodians, broker-dealers, mutual fund companies, and others who provide account services charge these fees, and clients are responsible for paying all third-party fees and expenses. Although, as of the date of this Brochure, our account custodians do not charge transaction costs for trades in equity securities (i.e., stocks, exchange-traded funds, etc.).

Additionally, there are more expenses when client assets are invested in mutual funds, exchange-traded funds, money market mutual funds, closed-end funds, and other investment company securities. These are direct internal expenses of the investment company that issues the security but a cost borne by investors (clients). The specific fees and expenses are outlined in each mutual fund company prospectus.

Advisory fees paid to our firm are separate from the third-party fees detailed above. Please also refer to the Brokerage Practices section for information regarding the qualified account custodians that provide custody and safekeeping services for our clients' accounts.

## **Refund Policy**

### **1. Combined Financial Planning and Portfolio Management Services**

Clients terminate our investment management agreement for combined financial planning and portfolio management services by providing fourteen (14) days advance written notice to our firm.

### **2. Retirement Plan Advisory Services**

Our retirement plan advisory agreement may be terminated with at least sixty (60) days' advance written notice.

Upon receiving a client's request to terminate combined financial planning and portfolio management services or retirement plan advisory services, we will assess advisory fees pro rata, if applicable, to the date of receipt of the notice of termination. Any unearned portion of prepaid advisory fees will be refunded within ten (10) business days of the date of termination.

### **3. Separately Managed Portfolio Services**

Separately Managed Portfolio Services may be terminated upon receipt of thirty (30) days' prior written notice. Upon receiving a client's termination request to terminate separately managed portfolio services, we will assess our advisory fees pro rata, if applicable, to the date of receipt of the notice of termination and refund advisory fees within ten (10) business days of the date of termination. Additionally, we will inform the third-party asset management platform of the termination request and ensure that fees are assessed pro rata and refunds issued as outlined in the third-party asset management platform's service agreement.

In all instances of termination, any balance for unpaid fees due to our firm will be collected prior to the disbursement of refunds, if applicable. If we are unable to deduct final advisory fees from a client's account(s), such as in the case of an account transfer, we will transmit a final advisory fee invoice, which is due upon receipt. Clients pay final advisory fee invoices by mailing a check to our address.

## **Other Compensation**

Neither our firm nor investment advisor representatives accept any compensation for the sale of securities or other investment products. Our investment advisor representatives are not registered in any investment sales capacity.

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## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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We do not charge performance-based fees or conduct side-by-side investment product management.

### **TYPES OF CLIENTS**

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We generally provide investment advice to individuals, high net-worth individuals, and charitable organizations.

We do not impose a minimum portfolio/investment value.

Nonetheless, third-party investment management platforms typically have minimum investment requirements that vary according to the program.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

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#### Methods of Analysis and Investment Strategies

Our firm generally utilizes fundamental analysis methods to analyze investments. Our primary sources of information include, but are not limited to, research materials prepared by others, the inspection of corporate activities, financial newspapers and magazines, annual reports, prospectuses, and corporate press releases.

The investment strategies recommended by our firm focus on strategic asset allocation. Our general recommendations consist of exchange-traded funds and mutual funds for long-term growth and income. Four key features highlight our investment strategies:

#### ***Asset Allocation***

Asset allocation is the attempt to identify classes of securities that have distinct characteristics of risk and return. Examples of “asset classes” are U.S. large-company stocks, U.S. small company stocks, value stocks, foreign stocks, and high-quality bonds. Plum Street Advisors’ goal is to combine these asset classes (and others) into a diversified portfolio that most efficiently maximizes return per unit of risk for clients. We generally utilize investments that accurately represent specific asset classes, such as low-cost index mutual funds, asset class mutual funds, and exchange-traded funds.

#### ***Active Rebalancing***

We set target ratios for each position we hold in a client’s account. When positions deviate significantly from their target ratios, we will buy or sell investments to reallocate a portfolio to its target ratios. A client’s target ratios may also change over time as securities markets change or a client’s circumstances change. However, we do not engage in short-term market timing. If a client adds a significant amount of cash to a portfolio, we may invest the cash, if appropriate, over a period of months, using a strategy called “dollar-cost averaging.”

#### ***Limiting Costs***

We believe that costs significantly impact investment returns, and we attempt to reduce the total costs of investing as much as possible. We generally utilize low-cost index mutual funds, asset class mutual funds, and exchange-traded funds with low internal expense ratios and low internal turnover rates. We do not use funds with internal sales charges, commissions, or “loads” such as 12b-1 fees or contingent deferred sales charges. Moreover, we do not engage in short-term trading.

#### ***Active Tax Management***

We utilize several strategies to minimize taxes on investments. These strategies, among others, may include allocating investments with high taxable incomes to tax-deferred accounts, using tax-exempt investments, realizing taxable losses, and utilizing funds with low turnover rates and small capital gains distributions. We also attempt to limit the turnover of investments in client portfolios to minimize the realization of taxable capital gains.

A strategic asset allocation strategy involves the periodic and less frequent rebalancing of a somewhat set allocation of various asset classes to maintain a long-term goal for the asset allocation based on an investor’s risk tolerance, goals, and investment time frame. On the other hand, a tactical asset allocation strategy is an active management portfolio strategy that adjusts the percentage of various asset classes. The adjustment includes strategies to protect cash or cash equivalents in periods of heightened volatility to take advantage of market pricing anomalies or strong market sectors.

While our investment strategies focus primarily on strategic asset allocation, we recommend and employ the methods and techniques that best meet our clients’ investment goals and objectives. It is important to note that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Instead, we review accounts individually and may deviate from the guidelines as necessary or appropriate. The specific

strategy or portfolios that we recommend will depend on market conditions and our research at the time of the recommendation.

## Material Risks of Methods of Analysis and Investment Strategies

We utilize conventional analysis methods and investment strategies, and even so, some material risk remains. Performance and capital preservation are not guaranteed; continually changing market conditions create the necessity of periodically re-evaluating each position in the account portfolio. Mutual funds will be assessed regularly against other comparable funds. A pattern of poor performance by a mutual fund over time will result in the mutual fund being eliminated from our strategy. We anticipate investing primarily in low-cost index mutual funds or asset class mutual funds.

### **INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR.**

Clients should know that all securities and investment strategies have various risks. While it is impossible to name all potential risks associated with our specific methods of analysis and investment strategies, some risks are as follows:

- **General Market Risk.** Markets can, as a whole, go up or down on various news releases or for no explanation. This uncertainty means that, at times, the price of specific securities could go up or down without real cause and may take some time to recover any lost value. Adding additional securities may not help minimize this risk since all securities may be affected by market fluctuations. Market fluctuations will ultimately affect a client's portfolio holdings.
- **Financial Risk.** All companies have exposure to financial risks. Excessive borrowing to finance business operations increases insolvency risk because the company must meet the terms of its financial obligations in both good and bad economic times and may not be able to do so during economic downturns. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or declining market value of a company's securities. All businesses are susceptible to financial risks at some point in a business cycle. When we invest in companies with excessive debt, the financial risk of that company could negatively affect a client's portfolio holdings.
- **Asset Allocation Risk.** The asset classes represented in a client's portfolio holdings can perform differently from each other at any given time, as well as over the long term. A client's portfolio holdings will be affected by the allocation among equity securities, mutual funds, cash equivalents, and, occasionally, options. If any asset class that comprises a client's holdings underperforms, the performance of other asset classes may suffer.
- **Time Horizon Risk.** A client may require the liquidation of portfolio holdings earlier than the anticipated stated time horizon. If liquidations occur during a period when portfolio values are low, the client will not realize as much value as he/she would have, had the portfolio holdings had the opportunity to gain value (or regain its value) as investments frequently do.
- **Investment Company Security Risk.** Investments in investment company securities ("mutual funds") and exchange-traded funds ("ETFs") have risks. This risk disclosure focuses on mutual funds. See specific details regarding ETF risks below. The risks associated with investing in mutual funds involve substantially the same risks as investing directly in the underlying securities (i.e., general market risks, interest rate risks, financial risks, time-horizon risks, liquidity risks, etc.). There is also a risk that a mutual fund may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect the performance of a client's portfolio. Additionally, clients pay a pro-rata portion of the fees and expenses associated with mutual funds, which will likely impact the value of a client's portfolio holdings.
- **Exchange-Traded Funds Risk.** Risks associated with investing in exchange-traded funds (ETFs) may be unrecognized. ETFs are offered for all asset classes, industries, sectors, markets, etc. There are two (2) general management styles for ETFs, passive and active. Details regarding the management techniques and associated risks are as follows:

*Passively Managed ETFs* represent an interest in a portfolio of securities designed to track an underlying benchmark or index. These ETFs typically seek to track an underlying benchmark or index; the ETF may or may not hold all securities in the underlying benchmark or index. ETFs are also subject to price variations. ETFs trade throughout the day and market prices are generally at or near the most recent net asset value (NAV). However, certain market inefficiencies may cause the shares to trade at a premium or discount to the stated NAV. For example, a high volume of market sells may cause ETFs to trade below the value of the underlying NAV.

*Actively Managed ETFs* are designed to outperform an index. These portfolios generally expose a high percentage of its net assets to a fixed list of investments (e.g., U.S. exchange-listed equity securities, U.S. exchange-traded funds that provide exposure to U.S. exchange-listed equity securities, U.S. exchange-listed equity securities of non-U.S. issuers, including the securities of non-U.S. issuers traded on U.S. exchanges in the form of depository receipts, etc.). The ETF may also have exposure to futures, other derivatives, and long and short positions, all of which may not perform as expected. These securities are subject to the risk that they may not effectively outperform the index, industry, or other markets that it intends to outperform. In addition to the risk that expenses reduce returns, that ETF portfolio managers' strategies are not successful, and that the investment is illiquid and has low trading volume, there is the risk that the investment may not perform as expected, resulting in losses.

Moreover, as with any security, there is no guarantee that an active secondary market for such ETF shares will continue to exist. Also, the redemption of ETFs can be limited. Only an authorized participant (generally broker-dealers that act as liquidity providers) may engage in the creation or redemption transactions of an ETF. Furthermore, ETFs typically have a limited number of broker-dealers that may act as authorized participants. To the extent that authorized participants exit the business or are unable to proceed with creation or redemption orders, and no other authorized participant can step forward, the liquidity of an ETF is likely to be impacted and could face trading halts or delisting.

- **Nontraditional Exchange-Traded Funds Risk.** Nontraditional exchange-traded funds (ETFs) include leveraged, inverse, or inverse-leveraged ETFs. Levered ETFs seek to deliver multiples of the performance of an underlying index or benchmark for a specified period (usually a single day). Inverse ETFs are generally "short positions" seeking to deliver the opposite of an underlying index or benchmark for a specified period of time. Inverse-leveraged ETFs seek to deliver multiples of the opposite of an underlying index or benchmark for a specified period. Due to the effect of compounding, their performance over more extended periods of time can differ significantly from the performance, which can be magnified in volatile markets. Inverse ETFs reset daily and are designed to achieve their stated objectives daily.

Nontraditional ETFs are not long-term investments. They are extremely speculative in nature and can be quite volatile. Investments in nontraditional ETFs should be monitored continually to ensure that risks associated with such investments remain appropriate for a client's portfolio holdings, especially during volatile markets when risks intensify.

- **Risk specific to third-party investment platforms.** Investing clients' assets with another investment advisor involves risks. Such risks include the realization that the money managers are not as qualified as we believe them to be, that the securities or investment strategies that the money managers use are not as liquid as we would typically use in client's portfolios, or that the money manager's risk management guidelines are more liberal than we would typically employ. Additionally, the investment strategy implemented by a third-party money manager may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by a client. Also, portfolio holdings used in the money manager's investment strategy are usually exchanged or transferred without regard to clients' personal tax ramifications.
- **ESG Investment Risk.** Typically, ESG investing means buying and selling investments that seek to address environmental, social, and governance issues. ESG investing is qualitative and subjective by nature. Since there is no standardized industry definition of ESG categories, choosing an ESG investment is based on our subjectivity in choosing criteria of investments that meet specific socially responsible interests expressed by our clients. In evaluating ESG-centric mutual funds and exchange-traded funds, we review information and data obtained from third-party reporting sources regarding ESG practices.

Nonetheless, there is no guarantee that the sources are accurate or complete in that the issuers of ESG investments may change their practices over time. Additionally, there is no guarantee that the ESG investments utilized by our firm will reflect the philosophy of any particular ESG issue. The factors used by our firm to choose ESG investments may differ from the factors that any particular mutual fund or exchange-traded fund considers relevant in evaluating its own ESG practices.

- **Margin Risk.** Margin is a loan issued to clients that permits leverage of current portfolio holdings, increases buying power for investments, facilitates advanced trading strategies (e.g., options, short sales, etc.), or uses it as a line of credit. When margin is used as leverage, clients seek to enhance returns through the use of leverage. Leverage can be described as exposure to changes in the price of an investment at a ratio greater than 1:1 relative to the amount invested.

Clients who elect to trade on margin will enter into a separate agreement directly with the account custodian's clearing firm. If a client requests margin and the strategy aligns with the investment goals that

our firm has implemented, we will instruct the client to complete and submit the account custodian's margin application for approval.

Using margin as leverage magnifies both the favorable and unfavorable effects of price movements in the investments placed on margin, which may subject the portfolio holdings to a substantial risk of loss. If there is a sudden, steep drop in the value of one or more portfolio holdings, the aggregate value of a client's holdings may also decline. An additional risk is that we may not be able to liquidate assets quickly enough to meet margin or borrowing obligations during market declines. The obligation to meet additional margin or other payment requirements could worsen as the value of portfolio holdings decline.

Also, acquiring and maintaining portfolio holdings on margin allows clients to hold positions that are worth significantly more than the investment in those positions. The amount that a client stands to lose in the event of adverse price movements is higher in relation to the amount of the investment. Also, since margin is a loan subject to interest, using margin increases account expenses.

Clients should refer to the margin agreement with the account custodian's clearing firm for all terms and conditions of a margin arrangement, including all related fees and expenses.

- **Risk related to Option Transactions.** Options are subject to risk factors that include volatility, lack of liquidity in underlying markets, state of the economy, and any legal, political, or geographic event that impacts the underlying security. The purchase or sale of options involves the payment or receipt of a premium payment and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security for a specific price at a certain time or during a certain period. Purchasing options involve the risk that the underlying security does not change in price in the manner expected so that the option expires worthless and the investor loses the premium. On the other hand, selling options involve potentially greater risk because the investor is exposed to the actual price movement in the underlying investment in excess of the premium payment received. For more information regarding the risks associated with options, please read the Characteristics and Risks of Standardized Options brochure, which can be found at this website: [www.optionsclearing.com](http://www.optionsclearing.com).
- **Cybersecurity Risk.** Our advisory services depend on various computer and telecommunication technologies, many of which are provided by or are dependent on third-party service providers. Our ability to operate successfully could be severely compromised by a system or component failure, delays in data transmission, telecommunication failure, power loss, a software-related system crash, unauthorized system access or use (such as "hacking"), computer viruses, worms, and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. These events may impact trading processes for client advisory accounts.

Providing comprehensive and foolproof protection against all such events is impossible. We cannot provide any assurance about the ability of applicable service providers to continue providing services.

Any event that interrupts our computers, telecommunication systems, or operations could compromise our services for an extended time period and cause client advisory accounts to experience losses, including preventing trading, modifying, liquidating, and/or monitoring the portfolios.

Cyber incidents can generally result from deliberate attacks or unintentional events and are not limited to gaining unauthorized access to digital systems, misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including denial-of-service attacks on websites. Cybersecurity failures or breaches that affect our advisory services or service providers can cause disruptions to our operations, potentially causing clients to experience financial losses, the inability to access advisory accounts, and other damages.

- **Regulatory and Governmental Risk.** Changes in laws and regulations can change the value of securities. Certain industries are more susceptible to government regulation. If portfolio holdings are invested heavily in a particular sector or industry, correlating changes in zoning, tax structure, or specific industry regulations could impact returns or holdings.
- **Risks Related to Public Health Issues.** Our advisory business could be adversely affected materially by pandemics, epidemics, and global or regional outbreaks of disease, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, or Severe Acute Respiratory Syndrome (SARS). More specifically, COVID-19 has spread rapidly worldwide since its initial emergence in December 2019 and has severely affected (and may continue to adversely affect) the global economy and equity markets. Although we are unable to predict the long-term effects or consequences of COVID-19 or other epidemics, pandemics, and outbreaks of disease, previous occurrences of other pandemics, epidemics, and outbreaks of disease have had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent.

Significant public health issues, including any occurrence or recurrence (or continued spread) of an outbreak of any epidemic, infectious disease, or virus, could cause a slowdown in the levels of economic

activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect our advisory business, financial condition, and operations. Should these or other major public health issues arise or spread further (or continue to spread or materially impact the day-to-day lives of persons around the globe), our firm could be adversely affected by more stringent travel restrictions, additional limitations on operations, or business and/or governmental actions limiting the movement of people between regions and other activities or operations.

- **Reliance on Advisor.** The performance of clients' portfolio holdings depends on the skill and expertise of our firm's staff to make appropriate investment decisions. The success of client portfolios depends on our firm's ability to develop and implement investment strategies and apply investment techniques and risk analyses to achieve a client's investment objectives. Subjective decisions we make may cause portfolios to incur losses or miss profit opportunities on which it may otherwise have capitalized. For example, our portfolio strategies may include custom investment attributes that may impact the implementation of certain strategies.
- **Business Continuity Risk.** In the event of a significant business disruption, unforeseeable event, or natural disaster that causes a total or partial outage affecting our offices or a technical problem affecting applications or networks, our advisory activities may be adversely impacted. Service providers may also fail to perform, and our ability to conduct business may be curtailed by any disruption in the infrastructure that supports our operations.

To mitigate such risks, we have adopted a business continuity plan to implement recovery strategies designed to maintain critical functions and limit the impact of any business interruption or disaster on client activities or business transactions.

Notwithstanding the method of analysis or investment strategy employed by our firm, the assets within an investment portfolio are subject to the risk of devaluation or loss. Please be aware that many different events can affect the value of assets or portfolio holdings, including, but not limited to, changes in the financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters. While this information provides a synopsis of the events that may affect your investments, this listing is not exhaustive.

**INVESTING IN SECURITIES INVOLVES A RISK OF LOSS THAT CLIENTS SHOULD BE PREPARED TO BEAR. CLIENTS MAY LOSE ALL OR A SUBSTANTIAL AMOUNT OF THEIR INVESTMENT.**

### Recommendation of Specific Types of Securities

Generally, our advice encompasses making recommendations relative to mutual funds and exchange-traded funds. We may also incorporate other securities into the portfolio construction process.

## **DISCIPLINARY INFORMATION**

Neither our firm nor its management personnel has been involved in any industry-related legal or disciplinary event.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### Financial Industry Activities

Our firm is not a registered broker-dealer, and we do not have an application pending for registration as a broker-dealer. Additionally, neither our management personnel nor investment advisor representatives are registered as or have applications pending to register as registered representatives of a broker-dealer.

### Financial Industry Affiliations

Neither our management nor investment advisor representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor, nor have applications pending to register as the foregoing or associated persons thereof.

### Other Affiliations

We do not have an affiliated entity. Further, we do not have arrangements with a related person that is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, or other pooled investment vehicle (including mutual fund, closed-end investment company, unit investment trust, private investment company, or "hedge fund," and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer, sponsor or syndicator of limited partnerships not already disclosed herein.

## Other Investment Advisers

We select and recommend third-party investment management platforms for clients. Please review Types of Advisory Services section and Fees and Compensation section, for more details regarding Separately Managed Portfolio Services and the advisory fees associated with such services. Generally, these arrangements are governed by solicitor's arrangements or sub-advisory agreements, and clients are required to enter into a separate agreement with the recommended third-party investment management platform.

The compensation derived from advisory products and services of other investment advisers (i.e., third-party investment management platforms) can result in a substantial concentration of products and services that benefit our firm. To mitigate or remedy conflicts of interest, we fully disclose these arrangements to clients before recommending other investment advisers.

To continually assess conflicts of interest and advise clients accordingly, our chief compliance officer periodically reviews the model portfolios and strategies offered by any third-party investment management platform to ensure client suitability, cost efficiencies, and advisory fee reasonableness.

## **CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### Code of Ethics

We require that all employees of Plum Street Advisors act ethically and professionally. Our management persons, investment advisor representatives, and other employees (collectively, "personnel") subscribe to a strict code of ethics. Our Code of Ethics is constructed to comply with the investment advisory laws and regulations that require firms to act as fiduciaries in transactions with their clients. Our inherent fiduciary duty requires that we act solely in our clients' best interests and adhere to standards of utmost integrity in our communications and transactions. These standards ensure that clients' interests are given precedence.

Accordingly, we have implemented comprehensive policies, guidelines, and procedures that promote ethical conduct and practices by all personnel. The foregoing has been compiled and is collectively referred to as our Code of Ethics. We adopted our Code of Ethics to specify and prohibit certain types of transactions that create conflicts of interest (or perceived conflicts of interest) and establish reporting requirements and enforcement procedures related to personal securities transactions by our personnel.

Our Code of Ethics, which specifically deals with our fiduciary duty, professional standards, insider trading, personal trading, and gifts and entertainment, establishes our ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust.

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

### Participation or Interest in Client Transactions

We do not recommend that clients buy or sell securities in which our firm, an affiliate, or a subsidiary has a material financial or ownership interest.

### Personal Trading

#### Proprietary Trading

We will, at times, buy or sell securities for our firm account and personal accounts of our employees that we have also recommended to clients. We will always document any transactions that could be construed as a conflict of interest. Conflicts of interest relative to trades for our firm account or employees ("personal accounts") may present in many different contexts. Some conflicts of interest related to personal trades include trading ahead to obtain a better transaction execution price than clients, recommendations or trades based on financial interest, trading on information that is not available to the public, or structuring transactions in a manner so that the results are profitable for the firm's account or an employee's (or any related) account. To mitigate or remedy any conflicts of interest or perceived conflicts, we monitor internal trading reports for adherence to our Code of Ethics.

#### Simultaneous Trading

We are likely to buy or sell investments for our firm account and the personal accounts of our employees at or around the same time as clients. As summarized above, our Code of Ethics requires us to (1) act in accordance with all applicable federal and state regulations, (2) act in the best interest of clients, (3) pre-clear transactions in private placements or initial public offerings, and (4) review personal securities transactions by employees to confirm adherence. Our chief compliance officer performs the personal securities transaction reviews. In



any instance where similar securities are purchased or sold, we will uphold our fiduciary duty by ensuring that transactions benefit our clients' interests.

## **BROKERAGE PRACTICES**

### **Selection and Recommendation**

We recommend account custodians after evaluating several factors. The factors include but are not limited to relatively low fees and expenses, execution capabilities, reputation, access to securities markets, and expertise in handling brokerage support processes. We may also consider the availability of other products and services that benefit our clients, many of which are not typically available to retail (non-advisory) clients.

Our firm maintains custodial services agreements with Charles Schwab & Co., Inc. (hereinafter, "Schwab") and Fidelity Brokerage Services, Inc. ("Fidelity"). Schwab and Fidelity are registered broker-dealers (members of FINRA and SIPC). These firms are qualified account custodians ("account custodians"). We are participants of Schwab's and Fidelity's institutional services platforms for independent investment advisors. Schwab's platform is known as Schwab Advisor Services™. Fidelity's platform is known as Fidelity Wealth Institutional Services or "FWIS".

Our firm is independently owned and is not affiliated with Schwab or Fidelity. We recommend an account custodian based on the best fit for our clients, which includes an evaluation of cost implications and a client's previous custodial relationships. While we recommend that clients use Schwab or Fidelity as an account custodian, clients ultimately decide whether to do so and open an account by entering into an account agreement directly with Schwab or Fidelity. We do not open the account, although we may assist clients in doing so. As outlined in the Other Fees & Expenses section, there are other costs and expenses related to managing the investment assets of clients' accounts and advisory service provisions.

#### *More information about Schwab*

Although Schwab generally does not charge clients separately for custody services, it is usually compensated by charging transaction fees on trades and assessing account maintenance fees. Schwab is also compensated by the interest it earns on the uninvested cash (i.e., Schwab money market mutual funds) in client accounts and may be compensated by a client's investments in other products and services offered through Schwab Advisor Services™.

Schwab also makes other products and services available that benefit our firm but may not directly benefit clients' accounts. Services provided by Schwab are not otherwise contingent upon our firm committing any specific amount of business to Schwab. The products and services assist us in managing and administering our clients' accounts. Such services include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements)
- Facilitates trade execution and allocates aggregated trade orders for multiple client accounts
- Provides pricing and other market data
- Facilitates the payment of our fees from our clients' accounts
- Assists with back-office functions, recordkeeping, and client reporting

Additionally, Schwab offers other services to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Our firm may receive some of the services listed above, and in other cases, Schwab will arrange for third-party vendors to offer these services. Schwab may also discount or waive its fees for some of the services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as the occasional business entertainment of our personnel.

Fidelity offers similar services and benefits as Schwab. Both platforms provide ancillary soft dollar benefits to support our clients' advisory accounts and certain operational processes. The ancillary soft dollar benefits include but are not limited to duplicate client confirmations and bundled duplicate statements, access to a trading desk serving platform participants exclusively, access to block trading, which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, mechanisms to facilitate the deduction of advisory fees directly from client accounts, access to an electronic communication network for order entry and account information; receipt of compliance publications, and access to other products and services that are generally available to only institutional platform participants.

Therefore, as a result of our established service agreements, cost implications, operational support, custodial and other services, we will recommend either Schwab or Fidelity to clients for advisory transaction support services.

Notwithstanding our existing custodial services agreements, we reserve the right to use other or additional firms for custodial services.

### *1. Soft Dollar Benefits*

As of the date of this Brochure, we have not entered into any agreement with an account custodian, broker-dealer, or any other third party to receive soft dollar credits. Soft dollar credits are earned from clients' securities transactions as a result of an increase in transaction costs or commissions and are subsequently used to pay for the research or other products or services provided by an account custodian. Therefore, although we receive ancillary soft dollar benefits, our firm does not earn soft dollar credits.

If Schwab or Fidelity discounts or waives fees related to client transactions or custodial services or pays for all or a part of any third party's fees, our receipt of these benefits from Schwab or Fidelity creates conflicts of interest. Such arrangements would incentivize us to recommend Schwab and Fidelity rather than other account custodians.

Nonetheless, our receipt of ancillary platform services and discount or waived service fees from Schwab or Fidelity does not diminish our duty to act in our clients' best interests, which includes, among other things, seeking best execution of trades for client accounts (i.e., best fees, services, and execution for client account transactions).

### *2. Brokerage for Client Referrals*

We do not receive client referrals from broker-dealers or other third parties in exchange for using any particular broker-dealer.

### *3. Directed Brokerage*

(a) As previously stated, we recommend account custodians based on their ability to maximize trading efficiencies and provide cost-effectiveness for our clients. We seek to achieve the most favorable results for trading costs, allocating funds, and rebalancing clients' investments.

(b) We also permit clients to direct brokerage. If a client prefers a particular account custodian, we will notify the custodian of our advisor-client relationship and proceed accordingly. However, we are typically limited in negotiating transaction costs or obtaining best execution under such arrangements. Also, we are unable to aggregate trades. As a result of not being able to aggregate trades, there are disparities in transaction costs among clients who use our recommended account custodians versus clients who prefer to use their own. More importantly, there are likely higher costs associated with brokerage transactions under a directed arrangement.

### *Order Aggregation*

In the ordinary course of business, we may (but are not obligated to) block or aggregate trade orders for advisory accounts. Commonly referred to as "block trading," this process is used to execute transactions more timely, equitably, cost-effectively, and efficiently.

When we block or aggregate trades, we purchase or sell the same securities for several accounts. Upon execution, purchase and sell orders receive an average price, and shares are allocated proportionally among aggregated accounts. This practice is reasonably likely to result in an administrative convenience for our firm and an overall economic benefit to clients. Clients benefit relatively from averaged purchase or sell execution prices, beneficial timing of transactions, or a combination of these and other factors. Our firm does not receive any additional compensation or remuneration as a result of trade order aggregation. This process also allows our firm to exercise more control over the execution by potentially avoiding any adverse effect on the price of a security that could result from simultaneously placing many separate, successive, and/or competing client trades. Block or aggregate trades do not ordinarily result in reduced advisory fees, lower transaction costs (if applicable), or the elimination of other expenses that clients incur as a result of trading for advisory accounts.

If we decide that order aggregation is in the best interest of clients, before aggregating trades, we will prepare a written allocation statement specifying each advisory account that will participate in the aggregated order and the anticipated allocation among the accounts if the order is filled completely. If the order is filled partially, allocations are made according to our judgment of each client's best interest, and our firm will document such allocation decisions. Each account participating in a block trade will pay or receive the average price for all shares included in the transactions for such securities on that day, including applicable transaction costs.

When allocating aggregated trades, we must treat each client fairly and equitably, and any change to an allocation must be explained in writing and approved by our chief compliance officer promptly, generally no later than one hour after the opening of the markets on the trading day after the day we executed the trade orders.

The chief compliance officer reviews transactions periodically to detect and prevent inefficiencies that result from non-compliance with our order aggregation policies and procedures.

## REVIEW OF ACCOUNTS

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### Periodic Reviews

Our criteria for reviewing client accounts are as follows:

#### **1. Combined Financial Planning and Portfolio Management Services**

We review client account portfolios quarterly. Each investment advisor representative of the firm reviews the accounts under his or her purview. Our chief compliance officer, David Dirks, is responsible for oversight of the review processes. Our reviews consist of ongoing monitoring and analysis to determine whether client portfolios and strategies continue to align with target allocations. If reallocation of investments is necessary, we will adjust asset allocations or investment holdings. Formal reviews of portfolio holdings are conducted no less than annually.

Our lifetime financial models are based on the financial data that clients provide our firm. Updates to the planning data are provided during several meetings prior to delivering the lifetime financial model report. After presenting the final version of the lifetime financial model, we may provide additional updates on an ad hoc basis. Reviews of the lifetime financial model report are also provided in conjunction with evaluating a client's portfolio management strategy. Still, formal reviews are conducted no less than annually. Please note that clients are responsible for providing updates to the financial information in the lifetime financial model and other confidential questionnaires.

#### **2. Retirement Plan Advisory Services**

Defined Benefit Plan Services. We review the defined benefit plan assets under our management at least annually or more frequently as market or economic conditions dictate. Depending on the terms of engagement, we review the plan design, recommend allocation adjustments, and monitor investments to ensure conformance with the plan's investment policy statement. Our management recommendations are monitored continuously for changes in market activity that necessitate changes in investment styles or allocations.

Defined Contribution Plan Services. Our reviews of defined contribution plans are limited and based solely on the specific services provided to the plan. Some services may require continual reviews, while others will require reviews at least quarterly or as needed to ensure alignment with the investment design and policies of the plan. Plan participants will not receive any scheduled reviews or ongoing reports as a result of our general educational services. These services do not include personalized investment advice.

#### **3. Separately Managed Portfolio Services Monitoring**

We review the activity of separately managed accounts no less than annually. We perform a detailed review of clients' holdings to ensure that the investment objective of the third-party investment management platform continuously aligns with the client's financial goals. This process includes reviewing the various asset classes, investment management styles, and risk/return requirements of the portfolios. If reallocation is necessary, we may select or recommend different portfolios or third-party investment management platforms.

### Intermittent Review Factors

Substantial market fluctuation, economic, business, or political events, or changes in a client's financial status (such as retirement, termination of employment, relocation, or inheritance) will prompt us to conduct ad hoc reviews of holdings and accounts. Clients are urged to notify us promptly if other material changes affect the financial information that we rely on to provide advice and recommendations.

## Client Reports

We issue separate performance reports to clients regarding accounts quarterly. In addition to performance data, these reports include statements of gains and losses and a financial market summary. Please review our performance statements carefully, comparing the asset values in our reports to those indicated in the account statements issued by the account custodian.

In addition to our reports, clients receive transaction confirmations from the account custodian shortly after trading activity (buys or sells). Additionally, the account custodian will send monthly statements for each month in which there is trading activity. Clients will receive account statements quarterly if there is no monthly trading activity.

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## CLIENT REFERRALS AND OTHER COMPENSATION

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### Economic Benefits for Advisory Services

Other than ancillary soft dollar benefits disclosed in the Brokerage Practices section above, we do not have any arrangement to receive economic benefits from any third party for providing advisory services to our clients.

### Client Referrals

#### *Referrals to Other Professionals*

When the need arises, we refer clients to other professionals such as accountants, attorneys, private bankers, insurance brokers, etc. Our firm does not currently accept referral fees or other forms of remuneration for client referrals. Moreover, we do not compensate any individual, company, or organization for referrals. Furthermore, clients are not obligated to engage the services of other professionals that we refer. Clients retain absolute discretion over all such engagement decisions and are free to accept or reject any recommendation by our firm.

#### *Separately Managed Portfolio Services*

Due to our Separately Managed Portfolio Services offering, we have entered into agreements to act as an unaffiliated third-party endorser (solicitor). Please review the Separately Managed Portfolio Services and Other Investment Advisors sections for details. Our referral agreements and applicable compensation arrangements comply with SEC rule 206(4)-1.

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## CUSTODY

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### Custodian of Assets

We do not hold physical custody of clients' funds or securities. We require that qualified account custodians hold clients' funds and securities in accounts for safekeeping. For more information regarding the account custodians that provide custody and safekeeping services for our clients' accounts, please review the Brokerage Practices section for details.

Our firm has indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from our clients' account(s). We also have indirect custody due to utilizing asset movement authorizations to process client requests for account disbursements (e.g., checks, journals, ACH requests, wires, etc.) from their portfolios.

Nonetheless, in all instances of indirect custody, we have implemented the regulatory safeguard requirements by ensuring the safekeeping of clients' funds and securities by a qualified account custodian and implementing the requisite account custodian internal control procedures for safeguarding client assets.

### Account Statements

The account custodian sends monthly or quarterly electronic notifications to clients regarding the availability of account statements. Clients are advised to review account statements carefully, comparing asset values, activity, holdings, allocations, performance, and advisory fee deductions on current statements to the information in the previously received account statements, trade confirmations, and advisory fee invoices.

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## INVESTMENT DISCRETION

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### Discretionary Authority

It is customary for our firm to exercise discretionary trading authority to manage and direct clients' investment assets (i.e., accounts, funds, and securities). This authority is granted upon a client's execution of our investment advisory agreement.

Discretionary trading authority is used to implement investment decisions regarding a client's investment assets without prior consultation with the client. Such investment decisions include determining the types and dollar amounts or percentages of securities bought or sold and reinvesting investment assets. All investment decisions implemented under discretionary authority are made in accordance with a client's documented investment objectives and risk tolerance. Upon a client's request, we may also use margin if the client has completed a margin application. We can also instruct the account custodian, broker-dealer, or trustee of the client's investment assets to accept and deliver securities or other assets to the client.

Clients may advise us of limitations on our discretionary authority in writing at any time during our advisory engagement. Clients may impose restrictions on investing in securities in specific industries or countries and limit the dollar amounts or percentages of investments in any asset class.

While we allow clients to advise us of the desire to impose restrictions, such restrictions will generally not apply to the management of the underlying securities in mutual funds and exchange-traded fund portfolio holdings, if applicable. Also, onerous limitations may adversely affect the third-party investment management platform's ability to manage a client's investment assets. Therefore, clients may be limited in imposing limitations because some restrictions may affect the outcome of our recommended portfolio management strategies. When clients impose onerous restrictions, we may exercise our option to terminate services as outlined in the Refund Policy section. We will address each request on a case-by-case basis.

## **VOTING CLIENT SECURITIES**

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Our firm does not cast proxy votes on behalf of clients. We may provide information to clarify the issues in proxy solicitation materials; however, our clients are responsible for casting proxy votes. Clients are also responsible for directing shareholder action items relative to mergers, acquisitions, tender offers, bankruptcy proceedings, and other types of events about the securities held in accounts managed by us.

Clients receive proxy solicitation and information regarding shareholder action items by mail or electronically from account custodians or the issuer's transfer agent. Clients must follow the instructions for voting or directing the shareholder action outlined in the mailing or electronic delivery.

## **FINANCIAL INFORMATION**

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### **Balance Sheet Requirement**

Our firm does not require or solicit prepayment of more than \$1,200 in advisory fees per client six (6) months or more in advance. Moreover, our firm does not meet any custody requirement that would require us to submit our balance sheet.

On April 30, 2020, we received a loan in the amount of \$41,000 under the Paycheck Protection Program (PPP). The coronavirus pandemic economically impacted our firm, and the loan proceeds were used to pay staff salaries and prevent layoffs during these challenging times. We do not anticipate any further liquidity needs and do not anticipate taking additional loans. Furthermore, the PPP loan was forgiven on March 11, 2021.

Neither the loan nor any economic condition currently impairs our firm's ability to meet contractual commitments to clients.

### **Discretionary Authority, Custody of Client Funds or Securities and Financial Condition**

We use discretionary trading authority to supervise and direct the investments of clients' accounts. Additionally, we have indirect custody of client funds and securities because of our authorization and ability to deduct advisory fees directly from clients' accounts. We also have indirect custody when we process client's requests for asset disbursements (e.g., journals, checks, ACH requests, wires, etc.) from their portfolios. More importantly, we do not have any financial condition that will impair our ability to meet contractual commitments to clients.

### **Bankruptcy Petition Filings**

Our firm has not been the subject of a bankruptcy petition during the past ten (10) years.

## **ADDITIONAL DISCLOSURES**

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This section covers other information related to our advisory business but not specifically mentioned previously.

## Important Information Regarding Retirement Accounts

### ERISA Fiduciary Advisor

As a result of providing fiduciary investment advice to plan sponsors, plan participants, and IRA owners, our firm is a Fiduciary Advisor under Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and as applicable, the Internal Revenue Code of 1986, as amended (the Code). For details regarding our services, please review the [Types of Advisory Services](#) section. We will provide additional disclosures at the time of providing advice or making recommendations regarding any retirement savings account.

### Retirement Account Rollover Options

Clients have options regarding retirement account rollovers. Existing clients or new clients leaving an employer typically have four (4) options regarding assets in an existing retirement plan. They may:

1. roll over the assets to the new employer's plan, if available, and rollovers are permitted;
2. leave the assets in the former employer's plan, if permitted;
3. roll over the assets to an Individual Retirement Account ("IRA"); or
4. cash out the account value (tax consequences generally apply).

If our firm recommends that a client roll over retirement assets into an account that we will manage, such a recommendation creates a conflict of interest because our firm will earn fees as a result of the rollover. As a Fiduciary Advisor, our firm mitigates this conflict of interest by disclosing it and ensuring that a recommendation to roll over retirement savings is in a client's best interest.

No client is under any obligation to roll over retirement savings to an account managed by our firm.

### CFP Board Disclosures

Our firm employs CERTIFIED FINANCIAL PLANNER™ professionals James Osborn and Alisa M. Skatrud. Please review James Osborn's Brochure supplement and Alisa M. Skatrud's Brochure Supplement for details regarding the conferment of the CFP® professional designation. Accordingly, we also adhere to the CFP Board's Standards of Professional Conduct.

We encourage clients to review the information outlined in this Brochure, our disclosure document. We welcome any questions that clients may have regarding our services (see Advisory Services section) and compensation (see Fees and Compensation section).

Should any material changes occur to the information outlined in this Brochure, updates will be provided to clients in a reasonable time frame, generally within thirty (30) days as required by advisory regulations. We acknowledge our responsibility to adhere to the standards established by the CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by the CFP Board.