

regulate the formation and activities of mutual funds as well as mutual fund investment advisers, principal underwriters, directors, officers, and other parties providing services to the fund.

The rules of the regulated mutual fund industry are intended to protect investors, and it's essential that investors take full advantage of the available information and make decisions based on careful analysis in consultation with a financial advisor. Dimensional Fund Advisors only sells fund shares through select financial advisors who purchase or redeem fund shares through an investor custodian who has a responsibility to the investor and is an independent entity separate from the other parties in the process, compiling account information for shares bought and sold for each client independently of the financial advisors.

**Advisor's method of analysis has inherent risks.** For an informed analysis Advisor must have access to accurate market information. Advisor has no control over the timing or dissemination rate of market or security information; therefore certain analyses may be compiled with inaccurate information, limiting the value of Advisor's analysis. There can be no assurances that any investing methodology will materialize into profitable investment strategies within a client's planning horizon, if at all under certain extreme conditions.

Furthermore, no promises or assumptions can be made that Advisor's services will provide a better return than any other investment strategy. Advisor does not represent, warrant or imply that the services or methods of analysis used can or will predict future results, identify market tops or bottoms, or insulate clients from losses due to market volatility or serious corrections.

Advisor's concentration on multifactor investment strategies has special inherent risks and limitations. For example, multifactor strategies often require longer periods of time (ten years or longer) to reliably evaluate relative performance advantages. Client's commitment to their investment management strategy for extended periods, including periods of market turmoil, is critical for positive expected outcomes, but personal circumstances (employment or health or simply aging) and emotional tolerance may over time.

- C. Advisor constructs investment portfolios primarily among institutional-class mutual funds from Dimensional Fund Advisors. However, exchange-traded funds ("ETFs"), individual equity and fixed income securities from predecessor custodians, deferred annuities, single premium income annuities and deferred annuities may be employed. Portfolio allocations are coordinated among multiple household accounts including employer retirement plan that restrict investment alternatives. Regulated investment vehicles like mutual funds are considered to pose no unusual risks. Advisor does not utilize "hedge" funds, option contracts, futures contracts, private equity or any form of non-publicly traded limited partnerships. Advisor does recommend home equity conversion mortgages for older clients in those situations where it may be appropriate, but those are not an investment but a financing technique for income.

**Use of Dimensional Fund Advisor Portfolios.** Advisor purchases mutual funds through Dimensional Fund Advisors ("Dimensional") for custodial accounts and certain variable annuities. Dimensional funds are available only through pre-approved registered investment advisors. Accordingly, upon termination of Advisor, Dimensional funds may be necessary to sell unless transferred to another custodian or advisor approved by Dimensional Fund Advisors. In the event client desires to maintain Dimensional funds, new shares may not be purchased by client through the custodian.

## Item 9/Disciplinary Information

The Advisor or its representatives have not been the subject of any disciplinary actions.

## Item 10/Other Financial Industry Activities and Affiliations

A. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither the Advisor, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. (8) **Licensed Insurance Agents.** Paul Byron Hill and Kam-Lin K. Hill, each a related person of Advisor, may share in compensation payable to an agent if financial instruments such as annuities or insurance are purchased.

**Conflict of Interest:** Recommendation of financial instruments by either Advisor or its related persons presents a conflict of interest, as the receipt of reimbursement as insurance brokers provides an incentive to recommend financial instruments based on compensation received rather than need. However, reimbursement fees paid to a related party of Advisor is intended to offset advisory consulting and implementation fees otherwise payable to Advisor under that separate agreement. As CFP® professionals and New York licensed brokers, related persons of Advisor have a fiduciary duty to evaluate all products, services and transactions available, relevant suitability information, and consider the cost, expected return and financial risk justifiable and appropriate in the best interest of Client (CFP® professional fiduciary standards and New York Department of Financial Services Reg 187). Where non-commissionable products are found to be in Client's best interest, they will be recommended, and Client will pay the full fee under their separate advisory agreement with Advisor. SPIAs and DIAs/QLACs implemented are **not** subject to ongoing AUM charges, so total Client fees may be reduced. Still, Client is under no obligation to purchase any commissionable product from a related person of Advisor, and implementation is entirely at Client's discretion.

D. Advisor has no agreements with other investment advisors but may establish such agreements in the future.