

responsiveness. Accordingly, although Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/ custodian are exclusive of, and in addition to, Advisor's fee. Advisor's best execution responsibility is further qualified where securities that it purchases for Client accounts are primarily mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/custodian, Advisor receives from Charles Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Advisor to better monitor and service Client accounts maintained at such institutions. Included within the support services obtained by Advisor can be investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/ or social events, marketing support, computer hardware and/or software and/or other products used by Advisor in furtherance of its investment advisory business operations.

As indicated above, certain support services and/or products that can be received may assist Advisor in managing and administering Client accounts. Others do not directly provide such assistance, but rather assist Advisor to manage and further develop its business enterprise.

There is no corresponding commitment made by Advisor to Charles Schwab or any other any entity to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Advisor's Chief Compliance Officer, Paul Byron Hill, is available to address any questions that a Client or prospective Client may have regarding the above arrangement and any conflict of interest such arrangement may create.

2. Advisor does not receive referrals from Charles Schwab or any broker-dealer/custodian.
3. Advisor does not generally accept directed brokerage arrangements (when a Client requires that account transactions be effected through a specific broker-dealer). However when such Client-directed arrangements do exist and Advisor consents to the arrangement, Client will negotiate their own account terms and arrangements with that broker-dealer, and Advisor will not seek better execution services or prices from other broker-dealers. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Note: Where Client directs Advisor to effect securities transactions for the Client's accounts through a specific

broker-dealer, the Client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the Client determined to effect account transactions through alternative clearing arrangements that may be recommended by Advisor.

- B. To the extent that Advisor provides investment advisory services to Clients, transactions for each Client account will be made independently and individually. Advisor will not obtain volume discounts or aggregate trades, and commission charges will vary among Clients. Advisor will not combine or "bunch" such orders to seek best execution, or negotiate more favorable commission rates because trading is individualized for Clients while attempting to reduce overall transaction costs. Client investments are primarily mutual funds and exchange-traded funds. Portfolios are structured individually for each Client, which may include specific income tax considerations related to portfolio transactions. Advisor employs primarily a "buy-and-hold" approach with mutual funds to keep fund trading costs low. Tax planning for portfolio accounts is often much more significant than trading costs in keeping total *investor* costs, after-tax, lower and thereby maximum after-tax wealth.

Item 13/Review of Accounts

- A. Advisor provides ongoing investment advisory management services and wealth planning consulting periodically. Reviews by Advisor's Investment Advisory Representatives are as follows:

WEALTH PLANNING CONSULTING: Annual portfolio planning and annual retirement/legacy planning reviews are provided for Supreme, Premier and Preferred Clients who request such reviews. Others only receive a portfolio planning review annually. The professional wealth management process, and the eligibility for such reviews, is described in *Item 4 (B)* above. Personal reviews are provided not less often than annually, and as often as quarterly at Client request. Supreme and Premier clients may have tax planning and legacy planning reviews included at their review requests.

INVESTMENT MANAGEMENT SERVICES: Investment Management account reviews is part of the annual portfolio planning review offered to all clients. Portfolios are reviewed at least monthly and reviewed in detail quarterly. Quarterly and semi-annual meeting with Premier and Preferred clients may combine with a financial planning consulting with their investment advisory review. Standard client have a formal investment review meeting yearly.

- B. The Advisor *may* conduct informal account reviews for any Client other than described about upon the occurrence of a specific triggering event: Client request; adding or distributing funds within accounts; market volatility; or sudden or unexpected material change in a Client's personal circumstances or their financial situation.
- C. Clients are provided, at least quarterly, written account summary statements and reports summarizing aggregate account positions, aggregate account performance, and