

primary family household accounts, total dollar amounts to be managed, anticipated future additional assets, account composition, inception of historical advisory relationship, anticipated level of wealth services, etc.). Certain adjustments for non-primary household accounts may not be applied similarly to family members of other clients.

Clients subject to the annual minimum fee may pay a percentage fee effectively higher than the annual fee percentage referenced in the above Investment Management fee schedules.

The *Investment Management Agreement* between Advisor and Client will continue in effect until terminated by either party by written notice in accordance with the terms of the agreement. As of the date of termination, the Advisor shall refund a pro-rated portion of the advanced advisory fee deducted based upon remaining days in the billing quarter. Charges related to wealth planning services in addition to investment management services provided in that calendar year under a *Wealth Planning Consulting Agreement* shall be charged against the unearned portion of the quarterly investment management fee, but not to exceed the amount quarterly payable.

- E. Neither Advisor nor its representatives accept compensation (commissions) from the sale of securities or other investment related products for performing investment advisory services. As stated in *Item 5(A)* related persons will receive reimbursements for insurance product implementation that will offset Wealth Planning and Consulting fees otherwise due where such products are in their best interest compared to insurance products paying no commissions.

**Disclosure Statement.** A copy of the Advisor’s written Disclosure Brochure as set forth on Part 2A of Form ADV shall be provided to each Client prior to, or contemporaneously with, the execution of the *Investment Management Agreement* or *Wealth Planning Consulting Agreement*.

**Disclosure for Certified Financial Planners™:** Clients have the right to ask at any time about compensation arrangements regarding any Advisor employee who is licensed as a CFP® professional with the Certified Financial Planner Board of Standards.

## Item 6/Performance-Based Fees and Side-by-Side Management

Neither the Advisor nor any supervised person accepts performance-based fees.

## Item 7/Types of Clients

Advisor’s clients are primarily households of high net worth individuals and/or immediate family members. Small company retirement plans, family trusts, estates and charitable trusts associated with those client households are also clients. Some clients are non-affluent individuals. Advisor does not serve investment companies, insurance companies, banks, hedge funds, sovereign wealth funds, or public company and governmental plans.

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

### A. Methods of Analysis

*Fundamental* analysis in portfolio design and construction is based on dimensions of risk and *expected* return. Advisor “structures” portfolio strategies based on rigorous theoretical and empirical research and a coherent investment philosophy derived from modern financial science. The “Fama/French” multifactor model offers a simple and elegant framework for portfolio design, analysis and investment discipline.

A core principle of our philosophy is the belief that market prices contain reliable information about systematic differences in expected returns in securities. A multidimensional research-based model brings order and clarity to the investing process—isolating and explaining forces that drive persistent and pervasive returns in securities markets. This guides positioning our portfolios across the aggregated accounts of a household without resorting to market timing or making predictions about how the future moves markets.

Advisor relies on multiple information sources that include financial publications, research materials, subscription services and internet resources, such as Retirement NextGen, MoneyGuide Elite, Morningstar Direct, the Vanguard Group and Schwab Advisor Services, but primarily from Dimensional Fund Advisors and its resources.

### Investment Strategies

Decades of advanced search in financial science point to systematic differences in expected returns of stocks and bonds. Consequently, Advisor structures portfolios around dimensions of returns which are sensible, backed by empirical research, and cost-effective to capture in diversified portfolios for planning long-term retirement strategies.

Sensible investing for a fiduciary should be a rational

### DIMENSIONALLY-TARGETED FACTOR-BASED STRUCTURED INVESTING STRATEGIES



1. Relative price as measured by the price-to-book ratio; value stocks are those with lower price-to-book ratios.

2. Profitability is a measure of current profitability, based on information from individual companies’ income statements.