



## DISCLOSURE BROCHURE FORM ADV PART 2A

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This brochure provides information about the qualifications and business practices of Advus Financial Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 407.585.1160, or by email at [shanley@advuspartners.com](mailto:shanley@advuspartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about Advus Financial Partners, LLC, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## ITEM 2 - MATERIAL CHANGES

In this section, advisers must describe any material changes to this brochure since the last annual update.

- Cover page: We have moved. Our new address is set forth on the cover page.
- Item 4: Advus is now owned by Foundation Risk Partners, Corp.
- Item 10: We have updated this item to include information about the firm's owner, Foundation Risk Partners, Corp., which is an insurance agency.

While there have been no other material changes to the firm's business since the last annual update, we have completely revised this Brochure. Accordingly, we recommend that you read it in its entirety.

ITEM 3

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#### ITEM 4 - ADVISORY BUSINESS

Advus Financial Partners, LLC ("Advus") is an investment adviser registered with the SEC. The firm was established in 2021. In September 2024, the firm was acquired by Foundation Risk Partners, Corp., which is ultimately owned by FRP Investors II, L.P.

Advus's primary objective is to deliver unbiased, high quality, conflict-free investment advice to our Clients.

##### Wealth Planning for Individuals

Based on information provided to Advus by the Client, Advus assists the Client in designing a plan to pursue the Client's unique wealth objectives. Considerations in the development of the wealth plan include, but are not limited to, the Client's short, intermediate and long-term wealth priorities, current savings and anticipated future savings capacity, current assets and liabilities, life and family circumstances, need for liquidity, tolerance for risk and need for insurance. Using this information, Advus performs scenario analysis to estimate the probability that the Client's objectives can be achieved. If the probability of attaining the objectives falls below the minimum threshold, Advus works with the Client to refine the plan until the probability for success exceeds the minimum threshold. The Client may request that Advus recalculate the probability of success based on updated information provided by the Client.

##### Investment Management Services for Individuals, Foundations, Endowments, Corporations

Advus provides Clients with Investment Management solutions specifically tailored to the Client's needs and circumstances. An Investment Management solution consists of (1) developing an investment strategy, (2) implementing the investment strategy, (3) supervising the investment strategy, and (4) reporting the results.

##### **(1) Developing an Investment Strategy –**

Advus will work with the Client to determine the Client's objectives for the portfolio. Factors that Advus will consider include, but are not limited to the Client's return objectives, tolerance for volatility and other forms of investment risk, time horizon, requirement for liquidity, future cash flow requirements, asset class preferences, unique restrictions and unique tax circumstances.

##### **(2) Implementing the Investment Strategy –**

Once an investment strategy is developed and agreed upon by the Client, an "*Investment Policy Statement*" is designed to aid us and the Client in understanding the general guidelines for managing the portfolio. Included in the Investment Policy Statement is an "*Asset Allocation*" strategy, which identifies the different investment approaches that will be utilized in the construct of the investment portfolio, the long-term target weight for each Investment Style, and the allowable weight ranges for each Investment Style.

In designing a Client's portfolio, Advus will utilize a variety of pooled investment vehicles and account strategies managed by investment advisors (collectively "*Investment Managers*"), including, as appropriate, Investment Managers that advise mutual funds, exchange traded funds, separately managed accounts and alternative investments.



For each Investment Style, or sub style thereof, Advus will identify one or more recommended Investment Managers who have passed Advus' investment manager screening process. Each of the recommended Investment Managers will be assigned a weight in the portfolio consistent with the overall Asset Allocation Strategy.

Advus will, at the Client's direction, consider existing Client investments or Client selected investments for inclusion in the portfolio ("*Client Directed Investment Mandates*" or "*CDIMs*"). When Client Directed Investment Mandates are utilized in an investment portfolio, Advus will attempt to complete the portfolio around the CDIMs by replacing one or more recommended Investment Managers in the portfolio with the CDIMs. Please reference Item 8 for additional information about CDIMs.

Once the investment strategy and the investment portfolio have been accepted by the Client, Advus will work with the Client to open the necessary brokerage account(s) and transfer the assets for management into those account(s).

**(3) Supervising the Investment Strategy –**

Once an investment strategy has been implemented, it is supervised and actively managed on an ongoing basis. As adjustments are warranted, either to the Asset Allocation Strategy or to the Investment Managers utilized to implement the portfolio, Advus will take the appropriate action. If Advus is acting in a discretionary capacity, Advus will make the adjustments to the portfolio and notify the Client of such adjustments.

If Advus is acting in a non-discretionary capacity, Advus will notify the Client of the proposed changes and, upon Client approval, execute such changes.

**(4) Reporting the results –**

Portfolio information, including portfolio performance, portfolio Asset Allocation relative to targets, and other Client requested information, is provided to the Client at a frequency and in a format reasonably requested by the Client.

Wealth Management for Individuals

Advus's Wealth Management solution combines Wealth Planning and Investment Management into a comprehensive solution that synchronizes the Client's Wealth Plan with the Client's current financial circumstances. As pertinent conditions change, Advus evaluates the impact to the probability of success and suggests adjustments when warranted. Advus also works with the Client's other advisors to ensure the necessary information is shared amongst the advisors to maximize overall financial efficiency.

A Special Note About Retirement Asset Rollovers and Transfers

When Advus provides investment advice to you regarding your retirement plan or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with the Client's interests, so we operate under a special rule that requires us to act in the Client's best interest and not put our interests ahead of the Client's.

Under this special rule's provisions, Advus must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of the Client's when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in the Client's best interest;
- Charge no more than is reasonable for our services;
- Provide Client's basic information about conflicts of interest.

A Client or a prospective Client typically has four options to consider when leaving an employer as it relates to the employer's retirement plan:

- Leave the assets in the former employer's plan, if permitted;
- Rollover the assets to the new employer's retirement plan, if one is available and rollovers are permitted;
- Rollover the assets to an Individual Retirement Account (IRA), or;
- Cash out the retirement account value (there may be tax consequences and/or IRS penalties depending on the age of the Client).

If Advus recommends that a Client roll over the Client's retirement plan assets or other retirement assets into an account managed by Advus, that recommendation creates a conflict of interest if Advus will earn a new (or increased) advisory fee as a result of the rollover. As a fiduciary, Advus will only recommend a rollover if Advus believes it is in the Client's best interest. No client is under any obligation to roll over retirement plan assets to an account managed by Advus.

#### Services for 401(K) Plans, Pension Plans, Profit Sharing Plans & Other Employee Benefit Plans

Advus helps Plan Sponsors fulfill their fiduciary obligations to their 401(k), pension, and profit sharing plans. We assist them in maintaining compliance with ERISA, DOL and IRS regulations by providing industry accepted best practices. Advus's services to Plan Sponsors include:

- 3(38) Discretionary Investment Management
- Includes Discretionary investment menu design, monitoring, benchmarking and replacement.
- 3(21) Co-Fiduciary Investment Advice
- Includes Non-Discretionary investment menu design recommendations, monitoring, benchmarking and replacement recommendations.
- Asset Allocation Services (Trustee Directed Plans Only)
- Investment Policy Statement Consulting
- Portfolio model design and management on either a discretionary or a non-discretionary basis
- Plan Design Consulting
- Plan Governance Consulting
- Assistance with 404(C) Compliance
- Consulting on plan errors and compliance issues
- Participant Education & Communication
- Participant Financial Wellness
- Vendor & Platform Selection Consulting



### Assets Under Management

As of December 31, 2023, Advus managed \$2,588,637,912 on a discretionary basis and \$175,751,731 on a non-discretionary basis.

## ITEM 5 - FEES AND COMPENSATION

### Wealth Planning, Investment Management and Wealth Management

Advus's Wealth Planning fees generally range from \$2,500 - \$20,000.

Wealth Management (Wealth Planning + Investment Management) fees range from \$0 - \$25,000 plus a fee ranging from .25% to 1.65% of assets under management.

Investment Management fees generally range from .10% to 1.65% of assets under management.

These fees are negotiable. Advus will establish each Client's fee based on each Client's unique circumstances, including consideration of the services Advus will be retained to provide, the amount of the assets Advus will be retained to manage (generally, the higher the asset value, the lower the percentage fee), the number and type of securities in which the Client is invested, the frequency and complexity of Client requested analysis, the complexity of the Client's overall financial circumstances and/or the complexity of the Client's portfolio, the desired frequency of Client meetings and/or conference calls, the frequency of Client transactions requiring service, the Client's reporting requirements, and the availability of third-party Client asset data.

Each Client's account is billed either quarterly in advance or quarterly in arrears. The method utilized will be stated in the client's contract. For asset-based fees, Advus calculates its fee by multiplying the appropriate basis point fee by the average daily portfolio value during the previous quarter. For the first billing period, the value used will be the initial deposit made into the account using a pro-rata calculation based on the number of days remaining in the quarter.

Advus will deduct fees from the Client's custodial account directly or will submit an invoice to the Client. The Client may select either billing method; if neither method is specified or if the fees directly billed to the Client remain unpaid beyond the end of the quarter when it was billed, Advus will deduct the fee from the Client's custodial account(s).

### Consulting

If Advus and the Client agree that Advus is to provide more detailed consulting services to the Client beyond the scope of services included in the Client Agreement, Advus will charge an additional consulting fee for the consulting services. The type and amount of any fee charged for consulting services is negotiable and is generally based on the complexity of the work involved. Any agreement for a separate fee will be contained in an additional agreement between the Client and Advus.

### Retirement Plan Services

Our fee is generally 0.10% - 1.00% subject to a minimum annual fee of \$15,000. The fees are negotiable, and Advus will individually determine the fee for each Client based on a number of specific factors, which include, but are not limited to asset size, participant count, location count, plan complexity, number of meetings per year, services to be offered, and reporting requirements.

Billing arrangements for retirement plans can vary significantly due to recordkeeper and Client preferences. Generally, each plan is billed quarterly in advance based upon the last day of the previous calendar quarter account value. There are situations where Advus is paid monthly, but they are limited. Fees can be paid by the plan sponsor or the plan's assets, or both. Certain plan recordkeepers provide automatic calculation and payment of invoices, whereas others require Advus to submit an invoice.

Given the constant flow of assets into and out of retirement plans, contributions and withdrawals intra quarter are typically not considered in the calculation of fees unless the plan's recordkeeper has the ability to charge fees on a daily basis, in which case cash flows would be considered.

#### General Information About Fees

Advus's specific fee is set forth in the contract between Advus and the Client. The fee charged by Advus will not exceed the fee agreed upon by the Client in the written contract. Advus's fee may be established as a flat annual fee subject to an inflation adjustment, a basis point fee applied to investment assets, a basis point fee applied to net worth or a combination of these methods, or an hourly fee. The agreement with the Client also will provide for an hourly or flat fee to be charged to the Client for additional services, with Client's prior consent. Clients should note that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

#### Contract Termination Provisions

The client may terminate the advisory relationship, without penalty, within five business days of signing the agreement. After that, either party may terminate the advisory relationship for any reason upon the notice period set forth in the Client's agreement, which will range from 30 to 90 days. Upon termination of any account, any prepaid, unearned fees will be refunded on a pro-rata basis.

#### Other Fees and Expenses

In addition to the fees charged by Advus, Clients will incur other fees imposed by third parties, including (but not necessarily limited to): custodial fees, execution costs or charges, transaction charges, commissions, mark-ups and mark-downs, odd-lot differentials, exchange fees, American Depository Receipt fees, third-party mutual fund transaction fees, contingent redemption fees and transfer taxes mandated by law, service fees for services requested by Clients (such as electronic fund and wire transfer fees, certificate delivery fees, reorganization fees, etc.). Advus does not receive a share of these third-party fees, which are separate from and in addition to Advus's fees.

Retirement Plan Vendors – Advus's fee does not cover recordkeeping, administration, audit, or other costs associated with maintaining a qualified retirement plan. These charges are imposed by third parties under separate agreements with the plan or plan sponsor.

Mutual Fund & Exchange Traded Funds (ETF) Fees – Each mutual fund or ETF selected is subject to investment advisory, administrative, distribution, transfer agent, custodial, legal, audit, and other customary fees and expenses related to investments in investment companies, as set forth in the prospectuses of the funds. These fees and expenses are paid by the funds but ultimately included in the expense ratio of the fund and borne by fund shareholders. These fees and expenses are described in each fund's prospectus, and/or annual report. If the fund also imposes a sales charge, a Client may pay an initial or deferred sales charge.

Advus does not recommend mutual funds with sales charges or "load" attached to the fund. Advus does not receive any additional compensation if a sales charge is levied.





If an account leaves Advus, these investments may be liquidated or exchanged for a different share class if the Client's investment, standing alone, is no longer eligible to hold the share class used by Advus. When cash used for investment in a Advus recommended strategy comes from redemptions of mutual fund shares, ETFs or other investments outside of Advus's management, there may be tax consequences or additional costs from sales charges previously paid and redemption fees incurred. All redemption fees will be in addition to Advus's fee on those assets.

In addition to designing our own mutual fund and/or ETF portfolios, Advus will, in certain cases, utilize portfolio models created by third party providers. When the third-party provider's model is used, the third party will assist in the trade execution of these models. The cost for these services will be borne by the product sponsors, Advus and/or the Client. Advus does not receive any compensation or any proprietary or third-party research when a third-party provider's model is utilized.

Each Client should review the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the Client so that the Client can evaluate the advisory services being provided. In certain instances, Advus's Clients may retain the services of more than one advisor or broker on a portion or all of their assets. In these situations, it is the responsibility of the Client to have agreed to pay a fee for their services via a separate agreement. This fee is additional to and separate from Advus's fee, even though it may also be paid from your account that Advus manages. Advus's fee does not cover services provided by another financial advisor or broker unless specifically stated in the Client Agreement.

Wrap Fees, Envestnet and Separately Managed Account Fees – Advus does not sponsor a wrap fee program. Advus offers Clients the ability to participate in the Envestnet platform through Fidelity Investments. Envestnet is a platform for, among other things, selection of third-party money managers to manage all or part of a Client's assets. Clients participating in separately managed account programs are charged program fees in addition to the advisory fee charged by our firm, including the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, Clients pay a single fee for advisory, brokerage and custodial services. In evaluating a wrap fee arrangement, the Client should consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the Client's account, and other factors, the wrap fee can exceed the aggregate cost of the services if they were to be provided separately. In this arrangement, the Client will enter into a contract directly with Envestnet and the fees will be disclosed on the agreement. The platform sponsor will have the ability to debit the Client's account directly for the wrap fee.

If a Client uses a separate account manager that is not part of a wrap fee program, the Client may enter into a direct contract with a separate account manager or the Client may use a Subadvisor that Advus recommends. In either instance, the manager will have the ability to debit their fees directly from the Client's account. If a Client enters into a direct contract with the separate account manager, the fees will be disclosed on the agreement. If a subadvisor is used, it is Advus's responsibility to disclose the fee to the Client by providing the Client with a copy of the subadvisor's ADV Part 2A when the account is established. Advus will review with Clients any separate program fees that may be charged to Clients.

As discussed in Section 12 below, Advus does not receive any additional compensation from any wrap fee programs or separately managed accounts. Advus also does not receive any proprietary or third-party research in connection with any soft dollar arrangements.

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Advus does not charge performance-based fees or engage in side-by-side management.

## ITEM 7 - TYPES OF CLIENTS

Advus provides advisory services to individuals, high net worth individuals, pension and profit-sharing plans (other than plan participants), charitable organizations, and corporations and other businesses.

Advus generally requires a minimum of \$1 million in assets to open or maintain an account to be managed by the firm. Advus has the right to waive this requirement in its sole discretion.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Methods Of Analysis and Investment Strategies

Advus's Investment Policy Committee ("IPC") is responsible for determining Client asset allocations and selecting investment managers.

*Asset Allocation* – Diversification is at the foundation of Advus's investment strategy as we believe that Asset Allocation decisions are the largest contributor of risk and return of a portfolio. Advus allocates among four broad asset classes: Global Equity, Fixed Income, Diversification Strategies and Cash/ Cash Equivalents. Within each of those asset classes, Advus will generally allocate to multiple investment styles.

In determining the asset allocation for a Client, the IPC considers Client preferences for risk, return, and cash flow. In developing the Asset Allocation strategy, Advus considers the expected returns for each asset class, the expected risk for each asset class and the correlation among the asset classes ("Asset Class Characteristics"). The Asset Class Characteristics are influenced by factors like economic conditions, corporate earnings, industry outlook, political considerations, historical data, market valuations, dividends, the general level of interest rates, and risk-premiums for the asset classes.

*Investment Selection* – Advus typically does not employ in house investment management. Rather, Advus utilizes Investment Managers in the implementation of Client investment portfolios. Advus generally utilizes a combination of passive and active management. Passive management strategies attempt to replicate market index performance at a low cost. Active management strategies seek to achieve a specified objective by utilizing active decision-making strategies as opposed to passive replication strategies.

Investment Managers can be implemented in the portfolio using one or more of the following:

- *Mutual Fund* – A mutual fund is a pooled investment vehicle where multiple investors combine their money which is managed by a professional money manager according to specific guidelines outlined in the fund's prospectus and/or operating documents.
- *Exchange Traded Fund* – An exchange traded fund is a pooled investment vehicle where multiple investors combine their money, whose shares are listed on a national securities exchange and traded at market-determined prices.

Most existing exchange traded funds are index funds that replicate a specific market segment or index. However, some newer exchange traded funds are managed by a professional money manager according to specific guidelines outlined in the fund's prospectus and/or operating documents.

- *Separately Managed Account* – Unlike a mutual fund or an exchange traded fund, the owner of the separately managed account retains the ownership of the underlying securities. In this situation, the Investment Manager is hired to manage these securities according to defined objectives which may, or may not, be customized by the Client.
- *Private Investment Funds/Partnerships* – Private investment funds/partnerships are pooled investment vehicles that do not solicit capital from retail investors or the general public. These funds are only available to accredited investors. Information about the Funds, the strategy and the risks associated with the Funds are explained in detail in each Fund's private placement memorandum or limited partnership agreement.

Pooled investment vehicles, and often separately managed accounts, are managed according to their own investment objectives and are not tailored to the individualized needs of any particular investor in the Funds. In the evaluation of an Investment Manager, Advus uses both quantitative and qualitative research. Quantitative research focuses on the absolute and risk-adjusted historical performance of the Investment Manager over multiple time periods. Qualitative research includes, but is not limited to, the following:

- The investment personnel responsible for the management of the investment assets;
- The experience and tenure of that management team;
- The overall investment philosophy of the firm that employs the investment personnel as well as the size, history, and reputation of that firm;
- Criteria the firm utilizes in the creation and reporting of any performance composites;
- The assets under management in the strategy and any capacity limitations may exist;
- The investment process employed in an attempt to achieve the objectives;
- For passively managed strategies, the correlation between the strategy and the investment index the strategy is attempting to replicate;
- For exchange traded investments, the trading volume of the investment and the associated liquidity; and
- Unique risks, nuances or considerations associated with the investment strategy or the firm.

As part of our process, members of the IPC meet with Investment Managers (in person or via phone conference) periodically to keep updated on their strategies and activity related to the Client portfolios.

Advus also utilizes the general news media, third party research, existing manager relationships, industry networking, investment letters and research papers from investment firms spanning the investment universe, information provided by our Clients and economic publications. In addition, Advus uses databases that allow for fundamental, returns-based, and holdings-based analysis.

*Client Directed Investment Mandates.* When the Client directs the initiation or maintenance of an investment, while Advus may assist the Client with these investments, Advus does not supervise these investments. Advus is not responsible for their selection or retention, and Advus does not provide investment management or investment advisory services on these investments.

### Risk of Loss

Investing in securities involves the risk of loss that Clients should be prepared to bear. All investments carry at least some degree of risk. Advus does not guarantee the future performance of a Client portfolio or any specific level of performance in the portfolio, the success of any Investment Manager that Advus may select, or the success of Advus' overall management of the portfolio. No investment, or approach to investing, is guaranteed to perform well, and there may be other investment vehicles, Investment Managers or approaches not offered by Advus that may perform as well or better. Past performance does not guarantee future results. You should consider these factors carefully before deciding to invest.

Some common risks associated with investing are described below:

- *Credit Risk* - Credit risk is an investor's risk of loss arising from a borrower who does not make payments as promised. Such an event is called a default. Other terms for credit risk are default risk and counterparty risk. Investor losses include lost principal and interest, decreased cash flow, and increased collection costs, which arise in a number of circumstances.
- *Interest Rate Risk* – Interest rate risk is the risk (variability in value) borne by an interest-bearing asset, such as a loan or a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa. Interest rate risk is commonly measured by the bond's duration.
- *Inflation Risk* – Inflation risk is an investor's risk arising from the loss of purchasing power over time. Inflation can erode the purchasing power of an asset. The longer the time horizon for an investment strategy, a higher inflation rate generally increases the inflation risk of an investment.
- *Market Risk* – Equity market risk represents the volatility the portfolio is likely to experience due to the volatility of stock prices. This is the category of risk most familiar to investors.
- *Liquidity Risk* – Liquidity risk refers to the inability to turn an asset into cash within the prescribed time horizon without impacting the value of the asset through discount or penalty.
- *Reinvestment Rate Risk* – Reinvestment rate risk describes the risk that a particular investment might be canceled or stopped somehow, that one may have to find a new place to invest that money with the risk being there might not be a similarly attractive investment available. This primarily occurs if bonds (which are portions of loans to entities) are paid back earlier than expected.
- *Call Risk* – Call risk is faced by a holder of a callable bond. This is the risk that the bond issuer will take advantage of the callable bond feature and redeem the issue prior to maturity. This means the bondholder will receive payment on the value of the bond and, in most cases, will be reinvesting in a less favorable environment (one with a lower interest rate).
- *Security Specific Risk* – Security specific risk can be found in a portfolio that has a large allocation to a single security or a limited number of securities. In those circumstances, the success or failure of a select number of securities could have a meaningful impact, either positive or negative, on the portfolio. Again, active managers tend to concentrate their holdings in their highest conviction stocks. Successful selections result in reward while unsuccessful selections result in risk.

- *Equity Sector Risk* – Equity sector risk can be found in a portfolio that has made a significant allocation to a particular economic sector. Investors who were caught in the technology bubble of the late 1990's fell victim to Sector Risk by over allocating their portfolio to those types of stocks. While over and under allocation to sectors is employed as a tactic by many Investment Managers, higher sector concentration can lead to higher risk.
- *Counterparty Risk* – Counterparty risk is the risk to each party of a contract that the counterparty will not live up to its contractual obligations. Counterparty risk is a risk to both parties and should be considered when evaluating investments that rely on contractual obligations of the parties involved.
- *Political Risk* – Political risk is the risk that an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.
- *Currency Risk* – Currency risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.
- *Fraud* – Fraud risk is the risk that there will be a willful breach of duty to the investor, resulting in a partial and/or total loss of investor capital and/or earnings.

In addition to the risks listed above, there are also risks that are unique to the various investment vehicles available. Those risks are usually discussed in the Prospectus or offering documents, which we encourage you to read.

- *ETFs and ETNs* – A risk of an ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an ETF, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the ETF, which could make the holding(s) less suitable for the Client's portfolio. Advus may recommend the use of an ETN (an exchange traded note). In addition to the risks of an ETF, an ETN may also expose Clients to counter party risk.

There are special risks associated with ETFs, such as: ETF shares are not individually redeemable. The market price of ETF shares may differ from the net asset value. An active trading market for ETF shares may not exist and if it does exist, it may not be maintained over time. Trading of ETF shares may be halted by regulators under certain circumstances. There may be a higher level of risk with leveraged and inverse ETFs because, to accomplish their objectives, they may pursue a range of investment strategies through the use of swaps, futures contracts and other derivative instruments. Certain ETFs may have elected to be treated as partnerships for federal, state, and local income tax purposes. Accordingly, if you own one of these ETFs, you will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to you on an IRS Schedule K1.

You should carefully review the prospectus and other offering documents of each ETF and ETN, and consult your tax advisor in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

- *Mutual Funds* – A mutual fund manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund, managers of different funds held by the Client may purchase the same security, increasing the risk to the Client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund, which could make the holding(s) less suitable for the Client’s portfolio. You should carefully review the prospectus and other offering documents of each mutual fund and consult your tax advisor in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.
- *Third Party Money Managers* – A third-party manager who has been successful in the past may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager’s portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our Clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.
- *Hedge Fund* – These investments tend to be illiquid. In addition to the risks previously listed, hedge funds are not transparent. The opportunity for fraud or mismanagement of funds is increased. You should carefully review the offering documents of each hedge fund, and consult your tax advisor in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.

#### ITEM 9 - DISCIPLINARY INFORMATION

In this Item, investment advisers are required to disclose material facts regarding any legal or disciplinary events that would be material to the evaluation of Advus or the integrity of Advus’s management. Advus has no disciplinary information to disclose.

#### ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

In this Item, investment advisers are required to disclose certain financial industry activities and affiliations.

Advus is owned by Foundation Risk Partners, Corp., which is an insurance agency. If a client requests insurance brokerage services, we will refer the client to Foundation Risk Partners, Corp. Neither Advus nor its personnel are compensated for insurance referrals, but this is nonetheless a conflict of interest, because our parent company will make money from any insurance you purchase through it.



Comparable products may be available through other insurance agencies at a lower cost to you. You are under no obligation to purchase insurance through Foundation Risk Partners, Corp.

#### ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Advus has adopted a Code of Ethics pursuant to SEC Rule 204A-1. Our goal is to protect our clients' interests and to comply with our fiduciary duties of honesty, good faith, and fair dealing with our clients, while at the same time allowing our employees to invest for their own accounts. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other topics. All supervised persons must acknowledge the terms of the Code annually and as amended. As individuals, Advus representatives are permitted to invest in the same securities that we recommend, buy or sell for client accounts. When they do, we require that all personal securities transactions be conducted in accordance with our Code, which is designed to assure that personal securities transactions, activities, and interests of firm personnel do not interfere with making decisions in the best interest of advisory clients and implementing these decisions while, at the same time, allowing employees to invest for their own accounts. The Code requires pre-clearance of many transactions and restricts certain trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. The firm regularly monitors employee trading to ensure that clients' interests are protected in the event of any conflict of interest between Advus employees and clients.

We will provide a copy of the Code to any Client or prospective Client upon request.

In addition, some associated persons of Advus have attained the Certified Financial Planner® ("CFP") designation issued by the Certified Financial Planner Board of Standards, Inc. Accordingly, they are also subject to the CFP Board's Code of Ethics and Standards of Conduct, which is available on the CFP Board's website, [www.cfp.net](http://www.cfp.net).

#### ITEM 12 - BROKERAGE PRACTICES

##### The Custodians and Brokers We Use

Advus does not maintain actual custody of your assets, although we will be deemed to have custody of your assets if you authorize us to instruct a custodian to deduct our advisory fees directly from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. All Clients have the opportunity to select the custodian of the Client's choice.

If a wealth management Client does not have a preferred custodian, we generally recommend that our clients use Fidelity Institutional<sup>SM</sup> ("FI"), which provides clearing, custody and other brokerage services through National Financial Services LLC and Fidelity Brokerage Services LLC, members NYSE, SIPC.





Any client assets that are managed by a third-party money manager are held by a qualified custodian selected by that manager; details concerning the manager's choice of custodian will be set forth in the manager's disclosure Brochure, which will be provided to clients who use that manager. The choice of another custodian must be mutually agreed upon by both you and us. If we do not mutually agree upon a custodian, then we cannot manage your account. (We refer to a qualified custodian as a "QC.") Advus is not affiliated with any of these custodians.

Clients open their accounts by entering into an account agreement directly with the QC. We do not open the account for clients, although we generally assist clients in doing so. The QC will hold your assets in a brokerage account and buy and sell securities when we instruct them to. Even though your account is maintained at one of the QCs listed above, we are allowed to use other brokers to execute trades for your account as described below.

#### How We Select Brokers/Custodians for Our Wealth Management Clients

We have selected custodians/brokers who will hold your assets and execute transactions on terms that we believe are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Availability of lowest cost share classes of mutual funds
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below

#### Your Brokerage and Custody Costs

The QC generally charges for its custody services either by charging you commissions or other fees on trades that it executes or that settle into your QC account, by accepting payment for order flow or rebates from the venues to which securities orders are routed, or by charging an asset-based fee. In addition, a QC charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your QC account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we generally execute your trades at your QC. We have determined that having the QC execute most trades is consistent with our duty to seek "best execution" of your trades.



Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above. Sometimes, a separate account manager believes that it is possible to obtain better execution from a different broker-dealer; since there is a trade-away fee involved each time this occurs, the separate account manager is notified and will only trade away from the QC when the manager feels it is beneficial to the Client.

#### Products and Services Available to Us from QCs.

QCs provide us and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail customers. QCs also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. QCs' support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us. A detailed description of QCs' support services is included below.

**Services That Benefit You.** Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. For example, Fidelity offers a managed account platform that utilizes Envestnet as a third-party asset management provider which provides access to separate account managers at reduced minimums and fees, which otherwise may be unavailable to our Clients.

**Services That Do Not Directly Benefit You.** Other products and services are available to us that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. This includes investment research that is both proprietary to the QC and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the QC.

In addition to investment research, the QC also makes available software and other technology that:

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

**Services That Generally Benefit Only Us.** QCs also offer other services intended 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

The QC provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The QCs also discount or waive fees for some of these services or pay all or a part of a third party's fees. From time to time, each QC also offers us other benefits, such as occasional business entertainment of our personnel.

Our Interest in a QC's Services. The availability of these services benefits us because we do not have to produce or purchase them. We don't have to pay for services so long as our clients collectively keep a minimum dollar amount of their assets in accounts at the QC. That minimum dollar amount varies with each QC. Beyond that, these services are not contingent upon our committing any specific amount of business to a QC in trading commissions or assets in custody. The applicable minimum gives us an incentive to recommend that you maintain your account with a particular QC, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. These are potential conflicts of interest. We believe, however, that our selection of the QCs listed above as custodians and brokers is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services and not by the services that benefit only us.

#### Trade Errors

If we make a trade error in a Client account, we will correct the error so the Client's account does not suffer a loss. The Client is generally not permitted to profit from the error, even if the correction results in a profit. For example, certain custodians keep all trade profits on an error regardless of how the error was caused.

#### Block Trading and Trade Allocations

As a matter of policy and practice, Advus does not generally aggregate Client trades and, therefore, we implement Client transactions separately for each account as they occur. Consequently, certain Client trades may be executed before others, at a different price and/or execution cost. Additionally, our Clients may not receive volume discounts available to advisers who block Client trades. If an Advus Client utilizes a separate account manager that Advus has recommended, it is likely that separate account manager will aggregate trades.

#### Directed Brokerage

In directing Advus to use a specific custodian and/or broker/dealer (other than those recommended by us), Clients should understand that we will not have the authority to negotiate commissions among various custodians or obtain volume discounts. This could also affect our ability to achieve best execution.

#### 401(k) Plans, Pension Plans, Profit Sharing Plans and other Employee Benefit Plans

While many Trustee-directed retirement plans are also good candidates for Fidelity's custodial services, the custody and trading options for participant directed retirement plans can vary widely based on the size and demographics of the plan. Participant directed plans typically utilize a daily valued recordkeeping provider. This provider then coordinates the custody and trading of the plan's assets, either internally or through a third-party custodian. For our participant directed plans, Advus helps the Client review the various recordkeeping vendors and platforms, provides cost comparisons, and assists the Client in selecting the most appropriate recordkeeping platform for their plan.

## ITEM 13 - REVIEW OF ACCOUNTS

Advus continuously and regularly reviews client accounts. Reviews are based on objectives and parameters established by Clients, which are generally memorialized through their individual investment policy and governance documents.



Advus offers each client an account review at least annually (which may be in-person, by telephone, or via video conference), conducted by one of the representatives assigned to the account relationship. Additional review meetings may be triggered by Client request, or by material market, economic or political events, or by changes in the Client's financial circumstances (such as retirement, termination of employment, physical move, or inheritance).

Clients receive account statements and trade confirmations from the custodian at least quarterly. Some Clients also receive portfolio information online from the custodian's website. Advus issues periodic reports to Clients regarding the asset allocation and performance of the Client's portfolio. The frequency of these reports is determined by the Client.

#### ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

No one who is not a Client provides an economic benefit to Advus for providing investment advice or other advisory services to Clients. Neither Advus nor its related persons directly or indirectly compensate any person who is not its supervised person for client referrals. Advus personnel are permitted to provide Clients with the names of outside professionals (e.g., attorneys, accountants, insurance agents, etc.) upon Client request or if Advus feels it's in the best interest of the Client. Advus does not receive any compensation for these referrals, but there is a conflict of interest to the extent the outside professionals refer clients to Advus because we have a financial interest in making referrals to professionals who refer business to us. We mitigate this conflict by disclosing it in this Brochure and by basing our referrals on our assessment of the Client's best interest.

#### ITEM 15 - CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct a QC to deduct our advisory fees directly from your account. The QC maintains actual custody of your assets. You will receive account statements directly from the QC at least quarterly. They will be sent to the email or postal mailing address you provided to the QC. You should carefully review those statements promptly when you receive them. Advus's performance reports may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. You should notify Advus *and* the QC if you identify any significant discrepancy.

#### ITEM 16 - INVESTMENT DISCRETION

Advus accepts discretionary authority to manage securities accounts on behalf of Clients. This means that we obtain written authorization from the Client to select the identity, amount, and timing of securities to be bought or sold. The client's written authorization is in the advisory agreement with the firm.

When a Client does not provide the firm with this discretionary authority, the firm cannot effect any transactions in client accounts without obtaining the Client's prior consent. Thus, if the Client is unavailable during a market event, the firm will not be able to effect any account transactions on the Client's behalf.

#### ITEM 17 - VOTING CLIENT SECURITIES

Plans for which Advus has accepted appointment as an ERISA 3(38) Investment Manager:

These ERISA Clients are required to have their separate account managers vote proxies unless the trustees request the right to vote themselves, in writing. For participant-directed plans that utilize mutual funds, the recordkeeping platforms typically forward proxies directly on to the retirement plan participants. If the proxies are forwarded to the Plan Sponsor and Advus is acting as a discretionary investment manager, Advus will vote the proxy on the Client's behalf, as provided below. For a Proxy to be voted by Advus, it is the Client's responsibility to request, in writing, that Advus vote such proxy and to forward the proxy material to Advus at least 14 business days in advance of the voting deadline. These Clients may obtain a copy of Advus's proxy voting policies and procedures upon request.

All other Clients:

Advus does not vote proxies on behalf of its Clients *other than* Plans for which Advus has accepted appointment as an ERISA 3(38) Investment Manager. All other Clients retain exclusive responsibility for receiving and voting proxies for any and all securities maintained by the Client. Clients will receive their proxies directly from the Clients' custodians or transfer agents. Advus does not provide advice or answer questions about any proxy solicitations. A Client who has accounts managed by a separate account manager may request that the separate account manager vote proxies on the Client's behalf. If the separate account manager does not vote the proxy or the proxy involves a mutual fund or ETF, the Client must vote the proxy.

#### ITEM 18 - FINANCIAL INFORMATION

In this Item, investment advisers who require or solicit payment of more than \$1,200 in fees per Client, six months or more in advance, or who have discretionary authority or custody of client funds or securities, are required to disclose any financial condition that is reasonably likely to impair their ability to meet their contractual obligations. Advus has no such financial condition to report. Further, in this Item, investment advisers who require or solicit payment of more than \$1,200 in fees per Client, six months or more in advance, must provide certain financial information. Advus does not require or solicit payment of more than \$1,200 in fees per Client, six months or more in advance.