



# Retirement Plan Advisors, LLC

## Client Brochure

*March 20, 2019*

*This brochure provides information about the qualifications and business practices of Retirement Plan Advisors, LLC. If there are any questions about the contents of this brochure, please contact us at (312) 701-1100 or visit [www.retirementplanadvisors.com](http://www.retirementplanadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Retirement Plan Advisors, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide information which may be used to determine whether to hire or retain an adviser.*

*Additional information about Retirement Plan Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

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(312) 701-1100  
[www.retirementplanadvisors.com](http://www.retirementplanadvisors.com)

## Item 2 – Material Changes

Dear Valued Client:

Retirement Plan Advisors' ADV 2A – Firm Brochure is updated annually. You may obtain a copy of our most current disclosure brochure at any time by contacting us at (312) 701-1100 or by downloading it from our firm's website at [www.retirementplanadvisors.com](http://www.retirementplanadvisors.com).

Below is a summary of the key updates we recently made to our brochure, for your review.

Thank you for your continued trust and confidence.

Regards,

Retirement Plan Advisors

## Item 10 – Other Financial Industry Activities and Affiliations

*This section of our brochure was updated to better describe our working relationships with Group Retirement Plan Recordkeepers.*

### **Recommendations of Group Retirement Plan Recordkeepers**

RPA has negotiated customized plan recordkeeping, compliance, and administrative services with various retirement plan recordkeepers for our plan sponsor clients. We believe these customized arrangements provide value for our plan sponsor clients through improved plan services. RPA may receive compensation from certain recordkeepers, which may create a conflict of interest. All conflicts will be disclosed to the client before entering into any advisory agreement. RPA is always committed to acting in the best interest of our clients.

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## Item 4 – Advisory Business

### ***Description of the Advisory Firm***

Retirement Plan Advisors, LLC (“RPA” or “Firm”) is a federally registered investment adviser (“RIA”) located in the State of Illinois and is a wholly owned subsidiary of Retirement Plan Advisors Group, Inc. RPA was founded in 2000 to provide retirement plan design, consulting services, investment advice, employee education, and fiduciary services to not-for-profit, public sector, and tax-exempt employers.

Joshua Schwartz, RPA President; Christopher McGrath, RPA Principal; and James O’Connor (retired) co-founded RPA with the goal of offering public sector employers and employees the option of working with an independent RIA to better address their retirement benefit needs. All of our firm’s Principals, over the last four decades, have been involved in every aspect of public sector retirement planning, including plan design and investment fiduciary services; plan recordkeeping, compliance, and administration; and participant education, enrollment, and advisory services. Together our Principals offer over 110 years of combined experience managing the day-to-day operations of not-for-profit, public sector, and tax-exempt retirement plans.

We are defined contribution plan specialists, providing governance and investment consulting services to U.S. tax-exempt clients, including 403(b), 457(b), 401(a), and retirement health savings plans. We help plan sponsors identify the best plan design, products, services, and investments for their employees; assist employers in preparing, evaluating, negotiating, and implementing new third-party administrator contracts; and provide ongoing plan and vendor oversight and investment menu due diligence to ensure the plans remain competitive and in line with industry best practices.

### ***Types of Advisory Services***

RPA offers individual and institutional clients a variety of financial services including: financial planning, investment management, co-advisory services, third-party money management, consulting services, retirement plan consulting, and 3(21) and 3(38) advisory services.

### ***Individual Client Services***

#### ***Financial Planning***

RPA begins financial planning services with an in-depth review of the client’s current financial situation and investment holdings. Together, from a life planning perspective, we identify a client’s short-, intermediate-, and long-term goals. RPA then develops a comprehensive financial plan integrating cash flow and budgeting issues, debt management, tax-related issues, and a savings and investment strategy. As part of its financial planning services, RPA provides advice regarding insurance products and will disclose, in advance, any commissions received from the sale of insurance products.

### ***Investment Management***

RPA provides fee-based investment management services on a discretionary basis. Our investment philosophy is based on strategic asset allocation principles, and may include tactical components. Together with the client, we develop an initial model asset allocation based on the client's individual investment objectives, risk tolerance, and time horizon. We recommend underlying funding vehicles – predominantly no-load or load-waived mutual funds and exchange traded funds – to populate the model allocation. The risk-adjusted performance of the investments is monitored and changes are recommended and implemented as appropriate.

RPA's Investment Advisor Representatives (IARs) schedule investment reviews at least annually to confirm that the underlying portfolio allocation continues to reflect our clients' overall situation, goals, and risk tolerance. Additionally, we ask our clients to notify us immediately about any changes in their personal circumstances that may affect their investment goals and objectives.

### ***Retirement Plan Advisors' PortfolioPlus***

Retirement Plan Advisors' PortfolioPlus is a discretionary fee-based active money management solution available to participants in employer-sponsored retirement plans. RPA's IARs match the client's risk tolerance and time horizon to one of five model portfolios, which RPA manages on a continuing basis.

PortfolioPlus clients are encouraged to contact their RPA IAR when changes occur in their financial situation or investment objectives; annual meetings may be scheduled at their work location. Clients in this program receive quarterly updates and are not contacted individually for an annual meeting.

### ***Advisory Directed Managed Accounts***

RPA IARs provide customized portfolio management solutions based on a client's individual circumstances, risk tolerance, investment objectives, and time horizon on a discretionary basis. The IAR will meet with the client at least annually to review personal circumstances and investment objectives, and adjust the portfolio's asset allocation as needed.

## ***Co-Advisory Services***

### ***WealthPort***

RPA participates, under a co-advisory relationship with Cambridge Investment Research Advisors, Inc. (CIRA), in fee-based services sponsored through CIRA's WealthPort Wrap Programs. The wrap fee programs charge an inclusive fee, covering custodial, brokerage, and investment advisory services. WealthPort Wrap Programs encompass the Advisor-Directed Program and the Cambridge Asset Allocation Platform (CAAP). All clients are provided with the WealthPort Wrap Brochure before or at the time the client enters into this program.

- ***Advisor-Directed***

RPA IARs provide customized portfolio management solutions based on a client's individual circumstances, risk tolerance, investment objectives, and time horizon on a discretionary basis. The IAR will meet with the client at least annually to review personal circumstances and investment objectives, and adjust the portfolio's asset allocation as needed.

- ***CAAP***

The CAAP program is a discretionary portfolio management solution offering access to multiple individual portfolio strategists. Each strategist offers a unique approach to investing and may offer multiple model portfolios. RPA IARs work with clients to identify an appropriate strategist(s) and model portfolio(s) based on individual circumstances, investment objectives, risk tolerance, and time horizon. Clients are provided an Investment Policy Statement (IPS) which confirms the selected strategist(s) and model portfolio(s), as well as the investment objective and time horizon.

The IAR will meet with the client at least annually to review personal circumstances and investment objectives, and confirm the appropriateness of the strategist(s) employed and model portfolio(s) utilized. CAAP strategists are not affiliated with RPA or CIRA.

### ***Third-Party Money Management***

RPA recommends outside third party investment advisors to provide our clients additional investment management and advisory services. RPA does not receive additional compensation from third party investment advisors.

## ***Institutional Client Services***

### ***Retirement Plan Consulting Services***

RPA provides comprehensive consulting services, including plan design and investment advice to public sector defined contribution retirement plans. Our services may include:

- Conduct a full plan review including identifying desired plan design
- Provide and maintain an IPS for the plan
- Conduct an RFP for desired plan services
- Oversee transition to new plan recordkeeper, if applicable
- Provide recommendations for the plan investment menu (menu) in accordance with the IPS
- Oversee transition of the plan assets to the new menu and recordkeeper, if applicable; the transition may include adding or deleting investment options and mapping assets, as well as other actions needed to implement desired plan enhancements
- Monitor the menu on an ongoing basis

- Provide recommendations to remove and replace any investment options in the menu that fail to meet the guidelines detailed in the IPS
- Provide reports to the plan sponsor [annually, semi-annually, or quarterly]

### **3(21) Advisory Services**

As a 3(21) advisor, RPA acts in a co-fiduciary role to provide ongoing monitoring and investment menu due diligence for group retirement plan sponsors.

General overview of services offered:

- Provide recommendations for the plan investment menu in accordance with the IPS
- Monitor the menu on an ongoing basis
- Provide recommendations to remove and replace any investment options in the menu that fail to meet the guidelines detailed in the IPS
- Provide reports to the plan sponsor [annually, semi-annually, or quarterly]

### **3(38) Advisory Services**

As a 3(38) advisor, RPA acts in a co-fiduciary role to provide ongoing monitoring and investment menu due diligence for group retirement plan sponsors. As a 3(38) Advisor, RPA acts with discretion on the plan investment menu.

General overview of services offered:

- Maintain a customized plan IPS
- Monitor the menu on an ongoing basis
- Remove and replace any investment options in the menu that fail to meet the guidelines detailed in the IPS
- Provide written notice to the plan sponsor at least thirty (30) days prior to making menu changes
- Provide reports to the plan sponsor [annually, semi-annually, or quarterly]

### **Retirement Plan Advisors' SponsorPlus**

RPA's *SponsorPlus* is an investment advisory program that provides 3(38) fiduciary services to smaller group retirement plan sponsors. With the *SponsorPlus* service, RPA provides clearly defined investment policies and regularly applies these policies to retirement plans on behalf of plan sponsors. RPA works with the plan sponsors to meet their fiduciary obligations.

With *SponsorPlus*, RPA provides:

- An IPS to govern plan investment decisions
- An initial investment menu selection to bring plan investment menus in line with industry best practices
- Ongoing monitoring and automatic investment menu updates

### ***Client-Tailored Services and Client-Imposed Restrictions***

RPA offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client's goals or IPS, which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client-specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent RPA from properly servicing the client account, or if the restrictions would require RPA to deviate from its standard suite of services, RPA reserves the right to end the relationship.

### ***Assets Under Management***

RPA has the following assets under management:

<b>Total Assets</b>	<b>Discretionary</b>	<b>Non-Discretionary</b>	<b>Date Calculated</b>
\$581,008,615	\$580,033,669	\$974,946	12/31/2018

## **Item 5 – Fees and Compensation**

### ***Financial Planning***

All fees are subject to negotiation. Financial planning fees begin at \$150. The typical cost of a basic financial plan averages \$600, and the typical cost of a comprehensive financial plan averages \$1,500. Our hourly fees range from \$100 to \$250 per hour. Actual costs are agreed upon in advance, with a minimum 50% paid in advance.

RPA may collect fees in advance for financial planning agreements. If the client elects to terminate the agreement at any time (by submitting written notice to RPA), fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. The exception is that a full refund of any fees paid will be made if the contract is terminated by written notice within five (5) business days of the day of execution. Unearned fees will be returned promptly to the client.

### ***Investment Management Services***

- ***Investment Managed Accounts***

The asset-based advisory fee will not exceed 2.25% per year on assets under management. Trading, custodial, and account service fees, which are in addition to the advisory fee charged by RPA, may apply. Fees typically are deducted from a client's

account and may be charged monthly or quarterly, in advance or in arrears, depending on the agreement.

- ***Retirement Plan Advisors' PortfolioPlus***

The maximum fee for *PortfolioPlus* is 2.25% per year on assets under management. The account is billed quarterly in arrears and may have a \$3.75 quarterly maintenance charge.

- ***Advisor Directed (WealthPort)***

Clients are charged an annual fee for custody and trading (program fee) and advisory services. An optional setup fee for additional services may be charged, when applicable. The client account may be billed monthly or quarterly, in advance or in arrears, depending on the agreement. The maximum fee is 2.25%.

- ***CAAP (WealthPort)***

Fees for the CAAP program are a maximum 2.15% per year of assets under management. CAAP charges an annual account fee for advisory, transaction and custodial (program fee), and strategist services. An optional setup fee for additional services may be charged, when applicable.

### ***Non-ERISA Employer Retirement Plan Consulting***

Fees are subject to negotiation. RPA provides employer pension consulting to governmental employers; fees for these services are available on an asset fee, fixed, or hourly basis.

### ***ERISA Plan Consulting and Managed Accounts***

Fees are subject to negotiation. RPA provides plan-level consulting and managed account services to retirement plans covered under ERISA. Fees for these services are available on an asset fee, fixed, or hourly basis.

### ***Mutual Fund Fees***

Fees and expenses charged by mutual funds are separate and distinct from RPA's advisory fees. These may include various share class or asset-based sales charges, internal operating fees, management fees, and service and/or distribution fees (12b-1). RPA IARs will make informed decisions when they select appropriate share classes for their clients – for instance, choosing between a share class with no transaction fees versus a share class that charges a transaction fee but has a lower expense ratio. RPA strives to identify the lowest overall cost to its clients. Some share classes, such as institutional shares, are only available in qualified accounts or have account minimum restrictions. Clients should not assume that they are invested in a share class that has the lowest operating expense or cost and should fully review each fund's prospectus prior to investing.

Additionally, RPA IARs, in their separate capacity as registered representatives of a broker/dealer, will receive normal compensation should their clients choose to invest in commission-based accounts.

**12b-1 fees**

12b-1 fees are paid from certain mutual fund companies for marketing and distribution services. To avoid any conflict of interest for RPA individual ERISA and qualified and non-qualified fee-based accounts, 12b-1 fees, if any, are credited back to the account by either the clearing firm or CIR.

RPA IARs, in their separate capacity as registered representatives of a broker/dealer, may receive commissions on deposits into client group retirement plan accounts. In this capacity, RPA IARs do not receive both 12b-1 fees and commissions on commission group retirement accounts.

**Payment of Fees**

The specific manner in which fees are charged by RPA is established in the client's written agreement with RPA. RPA will generally deduct its fees from client accounts on a quarterly basis. Clients may be billed in advance or arrears each calendar quarter, and may elect to be billed directly for fees or to authorize RPA to directly debit fees from their accounts dependent upon the type of advisory program. Management fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter may be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

**Outside Compensation for the Sale of Securities to Clients**

Occasionally, the officers and affiliated IARs of RPA may buy or sell securities for their own accounts. These transactions may be similar to, the same as, or the opposite of transactions they recommend and/or effect for any advisory client. Client accounts will always be serviced prior to any orders placed for proprietary accounts. RPA will not practice the bunching or aggregation of orders. Advisory fees that are charged to clients may be reduced to offset the commissions or markups on securities or investment products recommended to clients.

**Outside Solicitors**

RPA and/or its IARs may receive client referrals from outside solicitors. The solicitor will receive a portion of the fees charged by RPA to the client, but in no event will the client be charged additional fees to offset those paid to the solicitor. All outside solicitors will provide the client with a separate written disclosure outlining the solicitor's arrangements with RPA.

**Equity Participation Plan**

Some of RPA's associated persons have entered into an Equity Participation Plan with CIR. Under this arrangement, RPA's associated persons are eligible to participate in the Equity Participation Plan due to their affiliation as registered representatives of CIR and have the ability to earn a percentage of CIR's overall profit ratio. RPA's associated persons are not owners or officers of CIR.

**Cambridge Investment Group, Inc.**

Some of RPA's associated persons own stock in Cambridge Investment Group, Inc. Cambridge Investment Group, Inc. is 100% owner of CIR and its affiliated broker/dealer, CIR. This may be perceived as having the potential for a conflict of interest between RPA and its clients. RPA is committed to always acting in the best interest of our clients.

## Item 6 – Performance-Based Fees and Side-By-Side Management

RPA does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

RPA provides portfolio investment advice to individuals, high-net-worth individuals, pension and profit-sharing plans, group retirement plans, banking or thrift institutions, trusts, estates, or charitable organizations, and state or municipal government entities.

The firm recommends that potential clients have at least \$25,000 as the initial investment to open a non-retirement managed account; for retirement accounts, there is no required minimum investment amount. CAAP account minimums are determined by the specific strategist used, with some being as low as \$5,000 to invest. Retirement Plan Advisors' Portfolio*Plus* program, however, does not have a minimum investment amount.

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

### ***Methods of Analysis and Investment Strategies***

RPA's methods of analysis include charting, fundamental, and technical analysis.

Charting analysis involves the study of data relating to price and trading volume that occurs with respect to time. The resulting information is then used to generate visual displays that can help the investor uncover price patterns and trends.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data, primarily price and volume.

RPA's Investment Strategies (used to implement any investment advice given to clients) include:

- Long-term purchases (securities held at least a year) and short-term purchases (securities sold within a year)
- Investment strategies that are designed to capture market rates of both return and risk; frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes

### ***Risk of Loss***

RPA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Past performance is not a guarantee of future results. Diversification and asset allocation strategies do not assure profit or

protect against loss. Investing in securities involves a risk of loss that a client should be prepared to bear.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of our firm or the integrity of our management. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of RPA's management team.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

##### ***Other Financial Industry Affiliations***

Neither RPA nor its management persons are registered or associates of a futures commission merchant, commodity pool operator, or commodity trading adviser.

##### ***Retirement Plan Advisors Group, Inc.***

Retirement Plan Advisors Group, Inc. is a holding company and is the sole owner of RPA and RPA, Inc. This corporation facilitates and streamlines administration of the two companies to ease the burden of certain duplicative administrative matters.

##### ***Retirement Plan Advisors, Inc.***

RPA is affiliated with Retirement Plan Advisors, Inc. (RPA, Inc.), a registered broker/dealer with the Financial Industry Regulatory Authority (FINRA). Registered representatives of the affiliated broker/dealer, RPA, Inc., provide enrollment and education services to public sector retirement plans. RPA, Inc. is also a general insurance agency and receives commissions for the sale of insurance products from several insurance agencies. All registered representatives of RPA, Inc. are dually registered as representatives of CIR and may provide referral services to CIR (for which they may receive commissions on the sale of securities). In addition, the Office of Supervisory Jurisdiction (OSJ) Principal is also registered as an IAR with CIRA. This allows for supervision of the investment advisory activities of broker/dealer agents, under our OSJ, that are IARs of CIRA.

Registered representatives of RPA, Inc. may receive commissions for effecting transactions in securities that have been recommended to clients by the same person(s) of RPA, the affiliated investment advisory firm. Conversely, in their capacity as IARs for RPA, they may suggest the use of RPA, Inc. In a situation where the same person(s) or affiliated firm receives compensation for services they recommend, a conflict of interest may exist. All conflicts will be disclosed to the client before entering into any advisory agreement.

##### ***Recommendations of Group Retirement Plan Recordkeepers***

RPA has negotiated customized plan recordkeeping, compliance, and administrative services with various retirement plan recordkeepers for our plan sponsor clients. We believe these customized arrangements provide value for our plan sponsor clients through improved plan

services. RPA may receive compensation from certain recordkeepers, which may create a conflict of interest. All conflicts will be disclosed to the client before entering into any advisory agreement. RPA is always committed to acting in the best interest of our clients.

## Item 11 – Code of Ethics

### ***Description of Code of Ethics***

RPA has adopted a written Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics 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 areas of concern. All supervised persons at RPA must attest to the terms of the Code of Ethics annually, or as amended.

### ***Related Persons' Conflict of Interest***

For accounts over which our firm has discretionary authority, RPA anticipates that in appropriate circumstances consistent with clients' investment objectives, we may recommend to clients (or prospective clients) the purchase or sale of securities or investment products where the adviser or a related person has some financial interest.

RPA may recommend to investment advisory clients or prospective clients the purchase or sale of securities or investment products in which RPA, its affiliates, and/or clients have a position of interest, either directly or indirectly.

RPA employees and persons associated with our firm are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of RPA and its affiliates may trade in securities which are recommended to and/or purchased for RPA's clients for their own accounts.

The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of RPA will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics 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. Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between RPA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts (on an aggregated basis) when consistent with RPA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. RPA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order.

Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is RPA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. RPA will also not cross trade between client accounts.

- 1) Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliate, buys a security from or sells a security to an advisory client as opposed to carrying out trades through another broker-dealer.
- 2) An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker/dealer or has an affiliated broker/dealer.

RPA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting RPA at (573) 659-4443.

## Item 12 – Brokerage Practices

### ***Factors Used to Select Custodians and/or Broker/Dealers***

Clients are free to choose whichever broker/dealer and/or clearing firm they may prefer to transact trades for their accounts. RPA's affiliated IARs may recommend one of a number of broker/dealers and/or clearing firms, depending upon the products in which a client wishes to trade (e.g., clients who choose CAAP are also required to use CIR as a broker/dealer), the commissions charged by the various broker/dealers or clearing firms, and their expertise in any particular area(s). Any and all commissions, trading fees, or other expenses associated with the selection of a broker/dealer or clearing firm will be fully disclosed.

RPA utilizes multiple custodians, platforms, recordkeepers, and administrators for its clients. We recognize our duty to provide the best execution for our clients under the circumstances available. The decision to utilize a specific firm is determined on a case-by-case basis based upon service provided to the client. While it is possible that clients may pay higher fees through recommended service providers, RPA's recommended providers currently offer the best overall value to the client for the service, recordkeeping, administration brokerage, and technology provided.

RPA does not:

- Have any soft-dollar relationships
- Receive referrals from a broker/dealer or third party
- Have an incentive to recommend clients to direct brokerages
- Have an incentive to direct client transactions to a particular broker in return for product and research services

### ***Trade Aggregation***

RPA maintains the ability to make block trade purchases (limited to mutual funds only) across accounts but will rarely do so. While block trading may benefit clients by purchasing larger blocks in groups, we do not believe that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13 – Review of Accounts**

RPA reviews accounts on different levels. All fee-based accounts and financial planning agreements are reviewed at initial setup by the Chief Compliance Officer or designated Registered Principal. RPA's Portfolio*Plus* accounts are reviewed at initial setup by the Director of Group Plan Operations, a Registered Principal. Additionally, all financial plans are reviewed upon plan creation and plan delivery by an IAR.

Further, all individual advisor directed fee-based accounts are reviewed on a quarterly basis by our IARs. Reviews may be triggered by material market, economic, or political events, or by changes in the client's financial situation (such as retirement, termination of employment, a physical move, or an inheritance).

All investment changes and updates for RPA's Portfolio*Plus* are reviewed and confirmed by RPA's Investment Committee prior to execution. Additionally, recommendations and investment menu changes that are proposed or executed for RPA group retirement plan clients are reviewed and approved by RPA's Investment Committee. RPA's Investment Committee meets on a quarterly basis (or more frequently, if warranted) to review and discuss market and economic conditions that may affect clients' accounts.

Every client is strongly urged to notify RPA as soon as possible of any changes in financial situation, needs, and/or goals that may occur, so this information may be factored into any existing investment plan and strategy.

### ***Client Reports and Statements***

Clients who elect to purchase securities products (e.g., individual stocks, mutual funds, and variable insurance products) will receive confirmations of their purchases and sales and quarterly and/or monthly statements containing account information such as account value, transactions, and other relevant account information from either the product sponsor or product custodian. Clients may also receive periodic reports reflecting the performance of their investment portfolio over a specified period. These reports may include reference to RPA as the registered investment adviser for the account.

Clients may also have electronic access to their portfolio and may be able to create and/or print information concerning their portfolio investments. The firm, at no additional cost, provides a newsletter regarding investment activities for Portfolio*Plus* clients.

## Item 14 – Client Referrals and Other Compensation

RPA does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to RPA clients.

RPA has established marketing arrangements with banks, credit unions, recordkeepers, administrators, and other financial institutions. As a result of these arrangements, RPA may receive marketing expense reimbursements.

RPA does not directly or indirectly compensate any person who is not registered as an investment adviser under the Investment Advisers Act of 1940. Outside solicitors who refer clients to RPA will enter into a written solicitor's agreement with our RIA.

## Item 15 – Custody

Under Rule 206(4)-2 of the *Advisers Act* ("Rule 206(4)-2") and its requirements, custody is defined as holding, directly or indirectly, clients' funds or securities, or having the authority to obtain possession of them. Under Rule 206(4)-2, custody would include:

- Having arrangements, including a general power of attorney, whereby an adviser is authorized or permitted to withdraw client assets maintained with a custodian upon the adviser's instruction to the custodian (this would include having the ability to deduct fees or other expenses directly from a fund's or client's account).

According to this last definition, RPA is deemed to have custody of client assets since it has management fees deducted directly from client accounts and paid to RPA. However, the automatic deduction of advisory fees from client accounts is the only form of custody RPA will maintain. RPA will not have direct access to client funds and securities, nor will it have custody over client funds and securities. According to the exemption provided in the SEC's *Custody of Funds or Securities of Clients by Investment Advisers Rule*, since the deduction of client fees is the only form of custody RPA will maintain, RPA may indicate on its Form ADV Part 1, Item 9 that it does not have custody of any advisory clients' cash or bank accounts or securities. Further, since the only form of custody the firm has is the deduction of advisory fees, RPA is not subject to the Rule's surprise verification examination requirements.

Clients should receive at least quarterly statements from the broker/dealer, bank, or other qualified custodian that holds and maintains clients' investment assets. RPA urges clients to carefully review such statements and compare official custodial records to the account statements that we may provide. RPA's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

RPA receives discretionary authority from the client to buy and sell securities at the beginning of an advisory relationship. When selecting securities and determining amounts, RPA observes the investment policies, limitations, and restrictions of the clients for whom it advises. Before entering into any advisory relationship, the client must sign a written agreement stating the investment guidelines and restrictions.

For registered investment companies, RPA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments (once made).

In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

#### **Item 17 – Voting Client Securities (Proxy Voting)**

As a matter of firm policy and practice, RPA does not have any authority nor does it vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. RPA may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Investment Advisor Representatives are required to provide the client with certain financial information or disclosures about RPA's financial condition. RPA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. RPA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Neither RPA nor its management has been the subject of a bankruptcy petition in the last ten (10) years.