

**Item 1 – Cover Page**

**North Capital Inc.**  
**d/b/a North Capital Investment Management**  
**Compass Family Offices**  
**Compassvest**  
**evisor.com**  
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**Salt Lake City, UT 84047**  
**(888) 625 7768**  
**<http://www.northcapital.com>**  
**July 22, 2021**

This Brochure provides information about the qualifications and business practices of North Capital Inc., referred to in this document as “North Capital,” the “Advisor,” or the “Firm.” If you have any questions about the contents of this Brochure, please contact us at the phone number indicated above or by email at [info@northcapital.com](mailto:info@northcapital.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. North Capital Inc. is a Registered Investment Advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information that you use to determine to hire or retain an Advisor.

Additional information about North Capital and its principals is available on the SEC’s website at <http://www.adviserinfo.sec.gov>.

## Item 2 – Material Changes

This Brochure dated July 22, 2021 updates and amends our previously submitted Form ADV Part 2A Firm Brochure dated June 30, 2021.

There have been no material changes to the business since our previous annual filing.

Pursuant to SEC Rules, clients of North Capital receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will provide other ongoing disclosure information about material changes as necessary. In addition, we will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting North Capital at (415) 315-9916 or at [info@northcapital.com](mailto:info@northcapital.com). Our Brochure may also be downloaded from our websites, <http://www.northcapital.com/advisory>, or <http://www.compassvest.com>.

Additional information about North Capital is available on the SEC's website <http://www.adviserinfo.sec.gov>. The website also provides information about any persons affiliated with North Capital who are registered, or are required to be registered, as investment advisor representatives of the Advisor.

**Item 3 – Table of Contents**

<b>Item 1 – Cover Page</b>	<b>1</b>
<b>Item 2 – Material Changes</b>	<b>2</b>
<b>Item 3 – Table of Contents</b>	<b>3</b>
<b>Item 4 – Advisory Business</b>	<b>4</b>
<b>Item 5 – Fees and Compensation</b>	<b>6</b>
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b>	<b>8</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>9</b>
<i>Commodity Trading Advisor</i>	<i>9</i>
<i>Broker Dealer Under Common Control</i>	<i>10</i>
<i>Technology Licensing and Consulting to Financial Services Firms</i>	<i>11</i>
<b>Item 11 – Code of Ethics</b>	<b>11</b>
<b>Item 13 – Review of Accounts</b>	<b>14</b>
<b>Item 14 – Client Referrals and Other Compensation</b>	<b>15</b>
<b>Item 15 – Custody</b>	<b>15</b>
<b>Item 16 – Investment Discretion</b>	<b>16</b>
<b>Item 18 – Financial Information</b>	<b>17</b>
<b>Supplements</b>	

#### Item 4 – Advisory Business

North Capital was established in October 2008 to provide financial planning and investment advisory solutions to individuals, families and institutions. Advisory services are offered on both a discretionary and non-discretionary basis. As of May 31, 2021, The Firm has approximately [vs. 187 ] million of assets under discretionary management or regular supervision. In addition, the Firm provides a broad range of hourly advisory and consulting services related to illiquid assets (real estate, hedge funds, private companies) with a value in excess of \$350 million.

The Firm develops comprehensive financial plans for clients based upon their needs, goals, income and expenses, assets and liabilities, and other relevant factors. Information is collected through questionnaires and personal interviews and analyzed using quantitative and qualitative methods with proprietary models and third party analytical software. Investment advisor representatives produce written plans that are reviewed with clients in person or by phone.

The Firm utilizes an open architecture approach to provide discretionary investment management to clients. By accessing a wide array of asset classes, investment styles and strategies through mutual funds, ETFs, ETNs, and separately managed accounts, the Firm attempts to offer broad diversification, tax efficiency and cost-effective portfolio management. The Firm may be asked to provide or may offer advice and consulting services related to investments in private investment partnerships or other private investments such as hedge funds, private equity funds, or venture capital funds, to qualified clients for whom such investments are deemed to be suitable.

The Firm also operates as a sub-advisor for other investment advisory firms, providing asset allocation, manager selection, implementation consulting, trading, and portfolio reporting services. These services are offered on a fixed fee, asset-based fee, or combined basis. Sub-advisory relationships are documented by a sub-advisory agreement between the Firm and the client advisory firm.

The Firm also operates as a co-advisor with other investment advisory firms in certain instances with respect to certain customers, providing asset allocation, manager selection, implementation consulting, trading, and portfolio reporting services. In such instances, the Firm executes an individual advisory agreement with the subject client, or a joint advisory agreement which stipulates the scope of services to be provided, and the responsibilities of the Firm vis a vis the other investment advisory firm.

The Firm is manager of an open-end, registered mutual fund through the North Capital Funds Trust, a U.S. Government Money Market Fund. The Prospectus may be accessed here: <http://ncft-prospectus.northcapital.com> and the Statement of Additional Information may be accessed here: <http://ncft-sai.northcapital.com>.

The North Capital Government Money Market Fund (NCGXX) seeks to maximize current income to the extent consistent with the preservation of capital and the maintenance of liquidity. In pursuing its investment objective, the Fund will operate as a “government money market fund,” as such term is defined in or interpreted under Rule 2a-7 under the Investment Company Act of 1940, as amended (the “1940 Act”). Government money market funds are required to invest at least 99.5% of their total assets in: (i) cash; (ii) securities issued or guaranteed by the United States or certain U.S. government agencies

or instrumentalities; and/or (iii) repurchase agreements that are fully collateralized (i.e., backed by cash or government securities). Government money market funds are exempt from requirements to impose liquidity fees and/or temporary redemption gates, however, government money market funds may elect to impose these fees. The Fund has elected to not impose liquidity fees or redemption gates at this time. As a government money market fund, the Fund values its securities using the amortized cost method. The Fund seeks to maintain a stable net asset value (“NAV”) of \$1.00 per share.

In conjunction with its investment management programs, the Firm may provide written commentary, newsletters, financial models and other information developed by the Firm or its partners, which are designed to provide advice and support to clients. Such supporting materials may be provided with or without additional charge to clients and prospective clients of the Firm.

The Firm does not participate in any wrap fee programs.

In addition to customized investment management for individuals and institutional investors, the Firm provides specialized, non-discretionary investment and financial consulting services such as valuation, management, and hedging of illiquid assets, endowment formation and management, strategic liability management, and retirement plan formation.

The Firm operates a branded platform service, [evisor.com](http://evisor.com), to address a market segment that we believe to be underserved by financial advisors. [evisor.com](http://evisor.com) is a DBA of North Capital and was created to provide low-cost, fee-only financial planning and investment management services through an online advisory platform. The platform has been designed to address the most common planning needs and issues faced by individuals and families, utilizing the approaches and methodologies developed by the Firm. The [evisor.com](http://evisor.com) service is marketed direct to retail investors and as a business-to-business offering on a wholesale basis to serve such businesses’ retail customers.

Compassvest and Compass Family Offices are DBAs of the Firm. Compassvest is being launched to differentiate the Firm’s financial planning and wealth advisory services from other business of the Firm and its affiliates. Compass Family Offices is focused on providing holistic wealth advisory and family office services for individuals and families with at least \$25 million of investment assets. Compass Family Offices is managed by Paul Bowers, a senior investment advisor representative of the Firm.

The Firm has granted a license of certain intellectual property to AdvisorEngine Inc. (formerly Vanare Inc.), a financial technology company that provides services to registered investment advisory firms, including the Firm. In turn, the Firm has obtained a license of certain intellectual property, software and services from AdvisorEngine to support the Firm. The Firm also has made a minority equity investment in AdvisorEngine, and an affiliate of the Firm under common control also has made an equity investment in AdvisorEngine. The Firm is also providing and offering advisory and/or sub-advisory services to advisory firms and other financial institutions that have licensed software and services from AdvisorEngine.

The Firm also provides technology and business process consulting services to investment management firms and broker-dealers, related to the management and operation of their businesses. Technology

and related services are offered through its affiliate under common control, North Capital Investment Technology Corp.

The Firm is a fee-only investment advisory company. The Firm does not charge and will not accept brokerage fees or commissions related to any business transacted by or on behalf of its clients.

The Firm is a wholly-owned subsidiary of North Capital Investment Technology, Inc., whose principal beneficial owner is James P. Dowd, CFA, who also serves as the Firm's CEO and Chief Investment Officer.

### Conflicts of Interest

The Firm may provide financial planning to clients to whom investment management services are also offered or provided. A conflict of interest may exist inasmuch as a financial plan may include recommendations such as saving more money for retirement, establishing a 529 plan account, establishing a retirement account, and/or changing the asset allocation or the investments in the client's portfolio. The Firm offers discretionary and non-discretionary investment management services that would include the implementation of such recommendations for an additional fee.

Financial planning and other non-discretionary advisory clients are under no obligation to act upon any recommendations made by the Firm, or to retain the Firm for discretionary or additional non-discretionary advisory services beyond the scope of the financial plan or other non-discretionary engagement.

If a client decides to act upon a recommendation made during the planning process, it is under no obligation to implement the recommendation or to effect any transaction through the Firm.

An additional conflict of interest exists in that the Firm has an incentive to recommend its proprietary fund --- the North Capital Government Money Market mutual fund --- to discretionary clients of the Firm, especially if the Firm stands to earn more in advisory fees from proprietary products than from other products that are recommended. The Firm mitigates this risk in two ways. First, any such financial incentive is eliminated through an offset against advisory fees; the management fees earned by the Firm on any proprietary product are credited dollar for dollar against advisory fees on accounts that are allocated primarily to third party funds. Whether an investor's portfolio is allocated to ETFs or proprietary funds or REITs, the Firm earns the same aggregate fees. Second, the Firm's Risk Committee has established guidelines regarding the maximum allocation to proprietary funds. At present, the limit for each product is 5%. The limits and offsets described above do not apply to non-discretionary advisory clients.

## **Item 5 – Fees and Compensation**

The specific manner in which advisory fees are charged by the Firm is established with each client in a written Financial Planning or Investment Advisory Agreement. Fees are negotiable at the discretion of the Advisor, based on the scope and complexity of advisory services provided by the Firm, the duration of the relationship with the client and/or the client's family, the prevailing market rate where services are provided, and/or the existence of a pre-existing fee arrangement that is no longer offered by the Firm on new client accounts. The Advisor also may elect, in its sole discretion, to waive fees entirely in certain situations in its sole discretion.

Hourly consulting fees are generally invoiced upon completion of services and are due upon receipt. Investment advisory fees are generally payable quarterly in arrears, based upon the average value of the account during the period. Fees are calculated using the Firm's portfolio accounting and reporting system, Morningstar Office, and submitted to the Advisor's third party custodian and debited from client accounts. A copy of the quarterly advisory fee invoice is provided to each client via the Firm's Web Portal, or may be requested by email or U.S. mail. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of an account, any prepaid or unearned fees will be promptly refunded, and any earned or unpaid fees will become due and payable by the client. The Firm's standard advisory fee schedule is available publicly its websites, <http://www.northcapital.com/advisory> or <http://www.compassvest.com>.

As of July 22, 2021, the following fee schedule is in effect:

Asset-based Advisory Fee

.95% per annum of the first \$250 thousand  
.75% per annum for \$250k - \$1 million  
.50% per annum for \$1 - \$5 million  
.25% per annum for assets over \$5 million

Asset-based Advisory Fee – Evisor Platform

.25% per annum

Asset-based Non-Discretionary Supervision and Reporting Fee

.25% per annum

Platinum Services (Asset-based, No Hourly Consulting Fees)

1.25% per annum of the first \$1 million  
1.00% per annum for \$1 - \$5 million  
.50% per annum for assets over \$5 million

Hourly Consulting Fees

\$450 / hour – Senior Advisor  
\$150 / hour – Junior Advisor

Hourly Consulting Fees – State of Utah

\$250 / hour maximum

Initial Financial Review

\$1,200 - \$2,500 fixed fee

Lower fees for comparable services may be available from other advisors.

Advisory fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses. Clients will incur charges imposed by custodians, brokers, and other third parties such as fees charged by asset managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and ETFs may also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to advisory fees payable to the Firm.

Neither the Advisor, other supervised personnel of the Advisor (including contract employees), nor any affiliates of the advisor or their employees, receive any portion of these commissions, fees, and costs under any circumstances. This firewall is designed to reinforce the separation between the Advisor and its affiliated broker-dealer.

The principal of the Firm and certain supervised persons are also registered representatives and/or associated persons of North Capital Private Securities Corporation, a registered broker dealer that is an affiliate of the Advisor under common control (See Item 10). Registered representatives may receive compensation for the sale of securities and other investment products to individuals or entities *who are not clients of the Advisor*.

The Firm and North Capital Private Securities Corporation have adopted a policy whereby North Capital Private Securities is prohibited from soliciting, representing, transacting with, or providing services to any individual or entity who is a discretionary advisory client of the Advisor, or whose assets are under regular supervision of the Advisor, except for fee-only, non-discretionary advisory clients. Furthermore, neither the Advisor, its supervised personnel, its affiliates, nor personnel of the affiliates are permitted to receive any direct or indirect commission, trailers, or compensation of any type (other than advisory disclosed to and paid by the client according to the Firm's fee schedule) from or on business related to discretionary advisory or supervisory clients of the Advisor. This policy is described more fully in the North Capital Code of Ethics.

Item 12 further describes the factors that the Firm considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

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

#### **Item 7 – Types of Clients**

The Firm provides financial planning and investment advisory services to individuals, high net worth individuals, family offices, small businesses, corporate pension and profit-sharing plans, and non-profit institutions.

The Firm does not require any minimum account balance to begin a relationship. The independent custodian may impose minimums for certain types of accounts, and certain investment products (such as mutual funds) may have their own minimum balance requirements.

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

Investing in securities involves risk of loss that clients should be prepared to assume. Moreover, the Firm believes that risk and return are highly correlated. Clients with higher return objectives should therefore be willing and able to tolerate higher market risk, relatively speaking.

The Firm utilizes mostly mutual funds, ETFs, and ETNs to construct diversified, model asset class portfolios that form the building blocks for discretionary investment recommendations. Quantitative analysis is used to measure the systematic risk of each model. Qualitative analysis, stress testing, and scenario analysis are used to parameterize and report other risk exposures. The Firm blends model portfolios with different allocation weights to attempt to achieve clients' risk and return objectives. The Firm employs proprietary models and third party software to facilitate investment screening, portfolio construction, risk analysis, and risk monitoring.

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

The Securities and Exchange Commission requires registered investment advisors to disclose all material facts regarding any legal, regulatory or other disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm's management and personnel. North Capital has no Firm disclosures applicable to this provision, but certain investment adviser representatives have reportable financial disclosures. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>

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

#### Commodity Trading Advisor

The Firm is registered with the Commodities Futures Trading Commission as a Commodities Trading Advisor, and is subject to the oversight of the National Futures Association. Futures and options may be used in asset allocation or within certain strategies for the accounts of qualified clients for whom such products are appropriate. The Firm determines, in its sole discretion, whether such products are appropriate for clients. In such instances, risk disclosure documents appropriate to the use of products or strategy employed will be provided to such qualified clients.

It is possible that certain instruments and strategies, including but not limited to futures, options, actively-managed portfolios, and private funds, might be excluded from the universe of investments that the Firm deems to be appropriate for a client. In the case of the Evisor.com, recommendations will also take into account the transaction costs that are specific to the relevant custodian for each account.

#### Broker Dealer Under Common Control

North Capital Private Securities Corporation (NCPS), a registered broker-dealer, is an affiliate of the Firm under common control. The owner of NCPS is North Capital Investment Technology, Inc. (NCIT), which is the owner of the Firm.

NCPS is an agency broker for the placement of private funds and other private debt and equity securities. The focus of this activity is providing agency brokerage services to investment platforms and serial issuers of pooled products. NCPS generally deals with individual accredited investors and institutional investors who are accredited investors and qualified purchasers, or with other broker-dealers or advisors who work with such clients. NCPS also distributes, on a wholesale basis, registered mutual funds, engages in institutional private placements of securities, and operates a registered Alternative Trading System for secondary trading of exempt securities.

*NCPS is prohibited, as a matter of company policy, from soliciting or transacting with discretionary or supervisory clients of North Capital Inc. In addition, NCPS does not give advice or make recommendations to its customers. As a result, the potential for real or apparent conflicts of interest is limited. However, advisory clients will not be offered certain investment opportunities due to the Firm's conflict mitigation procedures.*

It is the policy of both the Firm and NCPS to disclose any such conflict to their clients by describing the conflict in plain language, taking reasonable steps to mitigate or resolve the conflict fairly, equitably, and with full transparency. The following is a list of some of the conflicts that may arise:

The Firm, like all investment advisors, is subject to certain inherent conflicts of interest in selecting executing brokers and custodians to implement advisory strategies that it recommends to clients. These conflicts, and the policies and procedures developed to mitigate them, are described herein.

Because the principals of NCPS are also the principals of the Firm, the degree of attention and service received by clients of both companies is highly dependent upon how Mr. Dowd allocates his time between clients of the companies and among his other business activities. There is a potential conflict of interest inasmuch as Mr. Dowd has a financial incentive to allocate his marginal time to clients and activities that are most profitable. As Mr. Dowd has further demands upon his time, the frequency and magnitude of such conflicts are likely to increase.

Another potential conflict exists inasmuch as Mr. Dowd has a financial incentive to direct opportunities to the Firm or NCPS based on which affiliate stands to profit most from a relationship with a prospective customer. In particular, an agency brokerage commission from the sale of securities by NCPS is likely to be more lucrative, on a short-term basis, than advisory fees charged by the Firm, which might create a financial incentive for Mr. Dowd to direct prospective customers to the broker-dealer. As a matter of

policy, the Firm and NCPS intend to mitigate this conflict by disclosing the existence of the conflict in writing to anyone who might be a prospective customer of both firms.

Mr. Dowd, as the principal executive officer of both NCPS and the Firm, is closely identified with both companies. Individuals may not be able to distinguish between his advisory role as the principal of the Firm, a fee-only registered investment advisor, and his executive role with NCPS, a registered broker dealer that is subject to different regulations. A conflict will exist insofar as it is in his interest for customers to believe that he is serving in an advisory capacity, subject to a fiduciary standard, even though NCPS is an agency broker that is not subject to the same standard. As a matter of policy, the existence of the conflict will be disclosed in writing to prospective customers, and compensation arrangements will also be detailed prior to any transaction.

In addition, as a CFA charter holder, Mr. Dowd is required to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct when conducting any financial services business. The Code, which has been incorporated by reference into the policies of the Firm and NCPS, requires practitioners to adhere to appropriate fiduciary standards and to put customer interests first.

Additional conflicts of interests that become known to the Firm will be disclosed as appropriate, to its clients and prospective clients, through this Brochure and through supplemental disclosures. If you have any questions about any apparent conflict of interest, please contact the Chief Compliance Officer.

#### Recommendation of other Advisors

The Advisor may recommend or select other investment advisors for its clients to meet specific investment objectives of the clients. Neither the Advisor, its supervised personnel, its affiliates, nor their supervised personnel receive any direct or indirect compensation from those recommended or selected advisors.

#### Technology Licensing and Consulting to Financial Services Firms

The Firm provides financial technology software services and other investment, financial and business consulting services to broker-dealers, registered investment advisors, and other financial companies on an hourly and fixed-fee basis, or pursuant to periodic licensing agreements that include transaction fees. These activities also may be conducted through NCIT.

### **Item 11 – Code of Ethics**

The Firm may purchase or sell securities for clients that also are being purchased or sold for affiliates, employees, or principals who also are clients. The Firm has safeguards in place to ensure that all clients receive fair and equitable treatment, in accordance with all applicable laws and regulations. The Firm maintains a Code of Ethics for all employees describing its high standards of business conduct and fiduciary duty to clients. The Code of Ethics incorporates by reference the CFA Institute Code of Ethics and Standards of Professional Conduct.

The Code of Ethics includes provisions related to the maintenance of confidentiality of client information, a prohibition on the misuse of non-public information, a prohibition of rumor mongering, restrictions on the acceptance of inappropriate gifts, reporting of certain gifts and business

entertainment items, and procedures for personal securities trading. The Code of Ethics requires annual acknowledgment and acceptance by all employees, including an agreement to abide by the CFA Institute Code of Ethics and Standards of Professional Conduct.

The Code of Ethics is available to clients and prospective clients upon request or it may be viewed on the Firm's websites.

In addition, the Firm has adopted the CFA Institute's Asset Manager Code of Professional Conduct, which is generally regarded as providing "best practice" standards for asset management firms. The Asset Manager Code of Professional Conduct is also available on the Firm's websites or at the CFA Institute website.

The Firm anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which it has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Firm, its affiliates and/or clients, directly or indirectly, have a position of interest. The Firm's employees and persons associated with the Advisor are required to follow the Firm's Ethics Policy.

Subject to satisfying this policy and applicable laws, employees and persons associated with the Firm and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Advisor's clients. The Ethics Policy is designed to ensure that the personal securities transactions, activities and interests of the employees of the Firm will not interfere with (1) making decisions in the best interest of advisory clients and (2) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Ethics Policy certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of the Firm's clients. The Ethics Policy requires preclearance of some transactions, however, and restricts trading in close proximity to client trading activity. The scope of employee trades requiring preclearance is subject to periodic review and adjustment.

Nonetheless, because the Ethics Policy 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 by the Firm under the Ethics Policy to reasonably prevent conflicts of interest between the Firm and its clients. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Firm's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs pro rata and receive securities at a total average price. The Firm 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 trade order.

It is the Firm's policy that the Firm will not effect any principal or agency cross securities transactions for client accounts. North Capital will not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal

transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction.

### **Item 12 – Brokerage Practices**

In selecting brokers and placing trades for discretionary accounts, the Firm attempts to secure the best price and execution possible, commensurate with receiving custody services, research and other services helpful to managing assets for clients. The process of selecting executing and clearing brokers is described in the Best Execution policy available to clients and prospective clients upon request.

Notwithstanding the general guidelines above, the Firm believes that the brokerage rates charged by its executing brokers are among the best that can be achieved for the types of accounts managed, and that research and other services are not relevant to the broker selection process. In other words, the Firm would select the same brokerage firms whether or not research or additional services were offered in conjunction with brokerage and custody services. To the extent that research and other services offer any value, it is general in nature and utilized in the management of all accounts and strategies.

Clients may direct the use of a particular broker-dealer, which will result in the Firm not exercising discretion in selecting the broker dealer, and may result in higher transaction costs, ticket charges, custody fees, and/or additional service charges than would otherwise be incurred. The Firm may choose to designate such accounts as “non-discretionary” as it may be prohibitively costly for the Advisor to manage such accounts with broker-dealers if there is no institutional relationship.

In the case of limited discretion and non-discretionary advisory relationships, the Firm exercises no control and assumes no responsibility for any transactional or trading relationships if the client has mandated the use of a particular broker-dealer. If the Firm believes that the terms of trade are not commercially reasonable, it will promptly inform the client or resign its advisory relationship.

The Firm does not participate in any soft dollar programs or arrangements of any kind. The Firm does not receive client referrals from the brokers it utilizes, although it may receive an informational listing in electronic directories of advisors maintained by such brokers on their websites. The Firm does not offer to pay brokerage in exchange for client referrals, and it does not engage in any formal or informal directed brokerage arrangements.

Whenever possible, the Advisor aggregates the purchase or sale of listed securities, such as ETFs, ETNs, closed-end funds, and individual equities, as a block trade when it trades in the same security at the same custodian, on the same date, for multiple client accounts. Aggregating purchases and sales ensures that clients receive equitable treatment for securities traded in their accounts by the Advisor. In certain instances the Advisor may choose to submit multiple smaller orders in the same security, to diversify or manage liquidity risk. While the brokerage costs associated with submitting multiple orders could be higher than the cost of submitting one order, the Advisor believes its trading practices are in clients’ best interests. All executions in a particular security at a particular custodian are average-priced

and allocated pro-rata across all accounts trading in the security on a given day. If a client instructs the Advisor to execute a trade in a security that the Advisor has already traded for other accounts, then such client will receive an equitable allocation based on all trades executed *after* such instructions have been received by the Advisor.

### **Item 13 – Review of Accounts**

The Chief Investment Officer and other investment professionals of the Firm monitor all client accounts on a regular basis for compliance with, and adherence to, the objectives, constraints, and special circumstances outlined in the client's Investment Policy Statement, the Firm Investment Advisory Agreement, and the Firm's client notes. Accounts are continually monitored for investments in funds, managers or securities that have been or may be removed from the Advisor's approved list of investments for discretionary model portfolios.

On a rolling basis, the Firm conducts internal reviews of model portfolios, approved funds and allocations, and on an annual basis the Firm conducts a comprehensive portfolio review for each advisory client, subject to the terms of the Investment Advisory Agreement. In addition, accounts are reviewed periodically for tax-efficiency (including opportunities to harvest tax losses or defer taxable gains).

Specific client factors that would trigger an other-than-periodic account review include: changes in a client's employment status; changes in a client's marital status; significant changes in a client's household net worth or liquidity; changes in a client's health; changes in a client's state or country of residence, changes in a client's spending requirements.

Specific market factors that would trigger an other-than-periodic review include: significant market price changes (moves greater than two standard deviations from the mean); unexpected events that have the potential to disrupt markets, such as Acts of God, terrorism, or other potentially destabilizing events, and major fiscal or monetary policy changes.

Clients receive portfolio reports from the Firm on a monthly or quarterly basis and may request additional reporting from time to time at their option. These reports include information such as a list of positions, lists of transactions, performance and portfolio risk information. The cadence of reporting depends upon the preference of each client. Custodians provide account reports to clients on a monthly basis and the Firm has online access to those reports. Clients are able to access position information through the Custodians' secure websites and mobile applications.

The Firm may offer access to reporting information on "held away" accounts through third party information systems. Access is generally only available for accounts that are managed or supervised by the Advisor. The Firm is continually monitoring new technology and services to improve its scope of services and reporting to clients. As such, the Advisor will, from time to time, test or add new features that it believes will be beneficial to clients.

### **Item 14 – Client Referrals and Other Compensation**

The Firm has entered into an agreement with AdvisorEngine, Inc., under which the Firm has licensed to AdvisorEngine certain software it has developed and maintains for its advisory clients, and AdvisorEngine has licensed to the Firm certain of its software that it has developed and maintains for its advisory clients. Pursuant to this agreement, AdvisorEngine also may (but is not obligated to) refer prospective wholesale relationships to the Firm.

From time to time, the Firm pays for placement in certain online directories, such as BrightScope.com, Smartasset.com and Nerdwallet.com, which provide information about financial advisors and their areas of expertise to prospective clients. Such directories typically charge a monthly or annual fee, irrespective of the number of referrals, although some charge fees for each referral.

The Firm also engages in key word search, fixed fee, pay-per-click, pay-per-impression, and pay-for-referral advertising campaigns on the Internet. Such campaigns involve payments for “clicks” or ad displays based on certain search-terms related to financial planning or investment management. Most internet-based advertising requires the advertiser to pay for the impressions or referrals whether or not they ultimately bring revenue to the Advisor (referred to as “conversions”).

### **Item 15 – Custody**

The Firm generally does not take custody of client assets or securities. All client accounts are maintained with a qualified custodian selected by the Firm and approved by the client. Notwithstanding the foregoing statement, the Securities and Exchange Commission (“SEC”), the Utah Division of Securities, and other state securities regulators consider the direct withdrawal of advisory fees to be “custody,” so it considers the Firm to *have* custody due to the direct withdrawal of its advisory fees from client accounts. Moreover, recent interpretive guidance from the SEC related to advisors’ Limited Power of Attorney (“LPOA”) agreements with their clients and their qualified custodians, specifically addressing the authority of advisors to transfer funds from a client’s account to another account controlled by such client, but having a different registration (i.e. John Doe Taxable to John Doe IRA, or John Doe and Jane Doe JTWROS to Jane Doe), indicates that maintaining such LPOAs *also* results in the Firm having custody of client funds. As a matter of client service, after a comprehensive review of all such LPOAs in force at the end of calendar year 2017, the Firm made a determination to maintain a number of such LPOAs and to put in place the required controls so as to not trigger the surprise audit requirement and certain other related requirements of the Custody Rule that would otherwise apply. The Firm will continue to review interpretive guidance from the SEC, along with its customer LPOAs, to ensure that it may continue to avail itself of the safe harbor outlined by the Commission.

Clients receive monthly or quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains investment assets. In addition, the Firm’s custodians offer clients online access to their account information. The Firm urges clients to carefully review statements and compare official custodial records to the account statements that the Firm provides to clients.

The Firm’s portfolio reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies for certain securities. In addition, the Firm’s portfolio

reports are based upon information received in electronic format from each broker dealer, bank, or other qualified custodian that holds and maintains investment assets.

The Firm has entered into a services agreement with Morningstar Inc. to provide data reconciliation and reporting services. Under the terms of the services agreement, Morningstar provides a daily reconciliation of all transactions and positions in all client accounts maintained with the Firm's custodians.

Through the Firm's relationship with Morningstar and the Firm's internal procedures, the Firm make reasonable efforts to confirm the accuracy and completeness of the information received and provided to clients. However, it is possible that errors or omissions could occur. In addition, the Firm may provide periodic reports on "held away" accounts that are not under the Firm's discretionary management. The frequency of errors with regard to "held away" assets is likely to be higher than for discretionary accounts, because the information is not subject to the Firm's normal reconciliation procedures. We assume no responsibility for the accuracy of data or reports related to such non-discretionary accounts.

If clients have any questions about their accounts or about a report that they have received from either the qualified custodian or the Firm, they are encouraged to contact the custodian at the contact information provided on their statement, or to contact their advisor at (888) 625 7768 or at (415) 315 9916.

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

For discretionary investment advisory relationships, the Firm generally has full investment discretion, without limitation, as to the type, quantity and timing of any purchase or sale of a security, future or other product covered by the Discretionary Investment Advisory Agreement, subject to the guidelines and restrictions (if any) detailed in the Financial Review document, the Investment Policy Statement and related documentation. The Firm reserves the right to obtain specific written authorization prior to consummating any transaction (purchase or sale) which may require special consideration because of risk, liquidity, or other factors.

In the case of limited discretionary relationships, the client typically places restrictions on the Firm's ability to execute the investment strategy, but may give limited discretion to the firm in certain areas.

In the case of financial planning and other non-discretionary advisory relationships, whether or not there is ongoing advice and supervision related to a client's portfolio, the Firm assumes no responsibility for the implementation of advice and generally does not provide detailed or specific investment recommendations.

When selecting securities and determining allocations, the Firm observes the investment policies, limitations, and restrictions of the clients for which it advises. Such investment guidelines and restrictions are generally delineated in writing in the form of an Investment Policy Statement and supporting documentation, but in-person and telephonic communications with clients may also be considered when implementing particular investments.

### Item 17 – Voting Client Securities

Clients may obtain a copy of the Firm’s complete proxy voting policies and procedures upon request. **Note that given the investment approach of the Firm in managing discretionary accounts for clients, the Firm almost always determines that the value of voting proxy securities is vastly outweighed by the time and cost involved in doing so, and therefore does not usually cast proxy votes.** Clients may, at any time, request to retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios.

For financial planning and non-discretionary advisory accounts, the Firm does not have any authority to, and does not, vote proxies on behalf of advisory clients. The roles and responsibilities related to proxy voting are detailed in the Firm’s agreement with each client.

### Item 18 – Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about the Firm’s financial condition. The Firm has no liabilities or financial commitment that impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.