



Wealth  
Management

1400 Computer Drive  
Westborough, MA 01581

(508) 870-0440

[www.finivi.com](http://www.finivi.com)

This brochure provides information about the qualifications and business practices of Finivi, Inc. (hereinafter “Finivi” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

In this Item, Finivi is required to discuss any material changes that have been made to the brochure since the last annual amendment. The Firm has amended Items 4, 5, 7, 8, and 12 to reflect its offering of an automated investment program through the Schwab Institutional Intelligent Portfolios® platform. On October 2, 2018, the Firm changed its registered corporate name to Finivi Inc.

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## Item 4. Advisory Business

Finivi offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Finivi rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Finivi setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Finivi filed for registration as an investment adviser in January 2018 and is principally owned by Eric C. Jansen and Steven C. Johnson. As of December 31, 2018, Finivi had \$103,518,000 in assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of Finivi, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Finivi’s behalf and is subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

Finivi offers clients a broad range of financial planning and consulting services that can be delivered both virtually and in-person. These services may include the delivery of a written and or an electronic report or summary of recommendations based on the type of planning or consulting services elected.

In general, a comprehensive or modular financial plan will address one or more of the following areas of concern. The client and financial planner will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

**Business Planning:** Finivi provides consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, Finivi works with the client to assess his or her current situation, identify objectives, and develop a plan aimed at achieving goals.

**Cash Flow and Debt Management:** Finivi will review a client’s current debt obligations which can include student loans, credit card debt, personal loans, mortgages and other debt and provide guidance and creative strategies on reducing and/or eliminating debt including which debts to pay off first based on factors such as the interest rate of the debt, credit score, and income tax ramifications if any.

**College Savings:** Finivi provides consulting services that include projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for clients to save the desired amount. Recommendations as to savings strategies are included, and, if needed, the Firm will review the client’s financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).

**Employee Benefits Optimization:** Finivi will provide review and analysis as to whether the client, as an employee, is taking the maximum advantage possible of his or her employee benefits. If the client is a business owner, the Firm will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.

**Financial Goals:** Finivi will help clients identify financial goals and develop a plan to reach them. The Firm will identify what a client plans to accomplish, what resources will be needed to make it happen, how much time will be needed to reach the goal, and how much should be budgeted for the goal.

**Investment/Portfolio Analysis:** This may involve an investment portfolio analysis of a client's existing investment accounts, including IRA's, 401(k)s and other individual or employer-sponsored retirement plan accounts and then recommending, as appropriate any adjustments to the portfolio's current investment options and/or asset allocation based on a client stated investment objective, risk tolerance and investment time horizon. This may also include a discussion on alternative investment vehicles and strategies. The strategies and types of investments the Firm may recommend are further discussed in Item 8 of this brochure.

**Retirement Planning:** Finivi's retirement planning services typically include projections of a client's likelihood of achieving a preferred retirement date and lifestyle. For situations where projections show less than the desired results, the Firm may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, adjusting current investment strategy). If the client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during retirement years.

**Social Security Claiming Strategies Review:** Finivi's claiming strategies review can help clients better understand what benefits they are eligible for, the claiming options available to them, and the right time and manner to file that maximizes the client's Social Security income and best fits their needs. The review will also provide guidance on coordinating a claiming strategy with a spouse, if applicable, and any other retirement income and resources the client may have, in order to maximize the client's social security retirement income benefits.

**Risk Management:** A risk management review includes an analysis of a client's exposure to major risks that could have a significant adverse impact on the financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning and will include an analysis of the client's current coverage/insurance policies in each of these areas, as applicable. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

**Estate Planning:** Whether a client's goal is to leave a legacy behind for family, or favorite charity, provide for a family member with special needs, protect assets, or successfully transfer the family business to the next generation, Finivi approaches a client's wealth transfer and estate planning needs with creativity,

sophistication, and care. Estate planning is a process that includes making choices about how the estate and personal affairs will be administered in the event of the client's death or disability. It also involves deciding how and to whom the client would like assets distributed to, while also incorporating strategies to minimize the impact of income taxes, estate taxes and other estate settlement costs on the value of the estate. As part of an estate planning review, Finivi will provide analysis of a client's existing estate planning strategies and documents which may include whether the client has an up-to-date will, durable power of attorney, health care proxy (living will), trusts or other related documents. In addition, the Firm may discuss the guardianship of minor children and a variety of other related issues. Finivi will also work with the client and their attorney if desired to be certain estate planning documents reflect and are properly integrated with their overall planning objectives and financial plans.

**Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of a client's overall financial planning picture. For example, the Firm may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact the client's situation. Finivi recommends that clients consult with a qualified tax professional before initiating any tax planning strategy, and the Firm may provide clients with contact information for accountants or attorneys who specialize in this. Finivi will participate in meetings or phone calls between clients and their tax professional with client approval.

**Career Transitioning:** Finivi also provides coaching on career transitioning, including relevant recommendations on cash set aside, income/expense adjustments, and other related strategies to achieve career goals and impact on the financial plan.

**Divorce Financial Analysis:** If a client is contemplating, or are currently in the midst of divorce proceedings, Finivi can help the client better understand the financial implications, help the client make smart divorce settlement decisions, and develop workable financial scenarios for life after a divorce. The Firm's service includes preparation of a detailed Divorce Financial Analysis to identify potential financial outcomes of proposed divorce settlement options, as well as, in-depth collaboration with the client and his or her attorney to help empower the client to make the best financial decisions during the process. These services are provided by one of the Firm's Certified Divorce Financial Analysts (CDFA).

Depending on a client's specific planning needs and preferences, Finivi's Financial Planning and Consulting Services can be accessed in a variety of ways including:

#### *Comprehensive Financial Planning*

This service provides a holistic review and guidance regarding a client's complete financial life and can include lifestyle and career goals, credit report review, income tax analysis, estate planning strategies, insurance coverage review, budgeting and debt management, retirement planning, cash flow and savings goals and an employee benefits review.

## *Advice-On-Demand*

This service is intended for those seeking financial guidance in a particular area as opposed to a more comprehensive financial plan. Types of advice offered include 401(k) investment option guidance, improving credit score, student loan debt, creating a workable budget, social security claiming options, navigating a life change, estate planning review, insurance coverage review, and other financial planning and investment-related topics.

## *Ongoing Financial Guidance/Coaching*

This service is designed for those serious about making smarter financial decisions and designing the life that they want and includes ongoing assistance and coaching in various aspects of their financial lives. This service is offered on a monthly retainer basis both as a standalone service or as part of the implementation process after a client has completed a comprehensive or modular financial plan.

Ongoing financial guidance provides clients ongoing access to one of Finivi's financial planners by phone, email and screen sharing meetings such as skype or join.me. The services includes advice and guidance on a range of financial and life issues, in addition to plan implementation, that may come up throughout the client's life including, should I purchase or lease my next car, getting married, divorced, death of a spouse, claiming social security, a family member entering a nursing facility, a career change, loss of job, starting a business, an unexpected windfall, investing and tax questions, building and improving credit, insurance questions and other financial and investing decisions that may need to be made.

## *Other Financial Planning and Consulting Services*

### Bitcoin and Digital Currency Consulting

Finivi offers knowledge and grassroots experience in the world of digital currency investing. Finivi offers fee-based personal consultations, and educational training programs on digital currency basics, including understanding blockchain, ICO's, and crypto-currencies in general, and how to buy, sell, safely store and evaluate the myriad of digital currencies and tokens in the marketplace. Finivi also helps clients evaluate the pros and cons, and better understand and quantify, the above average risks of investing in digital currencies. No recommendations, however, will be made regarding the purchase or sale of any specific digital currency, coin, token or ICO as part of this service.

### Financial Educational Workshops, Webinars, and Speaking Engagements

Finivi offers periodic financial education sessions for those desiring general advice on personal finance and investing. Topics may include issues related to financial planning, retirement planning, social security retirement income, estate planning, digital currencies, small business planning, the financial implications of marriage or divorce, and various other economic, financial and investment topics.

Finivi's financial education programs may be offered live in the Firm's office, on Facebook Live or other social media, at a group, club or organization's location, or pre-recorded for viewing remotely as a standalone educational course or as part of series focused on a particular topic or planning area.

All of Finivi's educational programs are generic in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person's need nor does the Firm provide individualized investment advice to attendees as part of the educational program.

A number of Finivi Supervised Persons (as defined in Form ADV) are also public speakers on a wide range of financial, investment and economic related topics. Depending on the topic, location and audience being served, fees can range from pro-bono, a per-participant fee, or a flat fee, plus expenses.

### *Finivi Reliance on Client Information*

In performing these services, Finivi is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Finivi recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Finivi or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Finivi under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Finivi's recommendations and/or services.

### **Investment Management Services**

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Finivi manages client investment portfolios on a discretionary basis. Finivi primarily allocates client assets among various individual debt and equity securities, exchange-traded funds ("ETFs") and to a lesser extent, mutual funds, in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Clients can engage Finivi to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans (i.e., 401(k) plans) and qualified tuition plans (i.e., 529 plans). In these situations, Finivi directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Finivi tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Finivi consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Finivi if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Finivi determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Schwab Institutional Intelligent Portfolios**

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Finivi offers an automated investment program (the "Program") through which clients are invested in a range of investment strategies the Firm has constructed and manage, each consisting of a portfolio of ETFs and a cash allocation. The client may instruct Finivi to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("Schwab"). The Firm uses the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab., to operate the Program. Finivi is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, Schwab., or their affiliates (together, "Schwab"). Finivi, and not Schwab, is the client's investment advisor and primary point of contact with respect to the Program. The Firm is solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. The Firm has contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program. The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of the Firm's investment process (the "System"). The System includes an online questionnaire that helps the Firm determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the Firm will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but the Firm then makes the final decision and selects a portfolio based on all the information the Firm has about the client. The System also includes an automated investment engine through which the Firm manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). The Firm charges clients a fee for its services as described below in Item 5 "Fees and Compensation." The Firm's fees are not set or supervised by Schwab. Clients do not pay fees to SPT or brokerage commissions or any other fees to Schwab. as part of the Program. Schwab does receive other revenues in connection with the Program. The Firm does not pay SPT fees for the Platform so long as the Firm maintains \$100 million in client assets in accounts at Schwab. that are not enrolled in the Program. If the Firm does not meet this condition, then the Firm pays SPT an

annual licensing fee of 0.10% (10 basis points) on the value of the Firm's clients' assets in the Program. This fee arrangement creates a conflict of interest as it gives the Firm an incentive to recommend or require that its clients with accounts not enrolled in the Program be maintained with Schwab.

## Item 5. Fees and Compensation

Finivi offers services on a fee basis, which includes fixed and/or hourly fees, as well as fees based upon assets under management.

### **Financial Planning and Consulting Fees**

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Finivi charges a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement.

#### *Comprehensive Financial Planning*

Comprehensive Financial Planning fees are based on the scope, complexity and professional rendering the financial planning services, but typically the negotiable fees range from \$100 - \$350 on an hourly basis, or \$749 - \$25,000 on a fixed fee basis. The financial planner will work with the client to determine the most optimal way to pay for any services requested.

#### *Advice-On-Demand*

Advice-On-Demand financial planning and consulting fees are based on the scope, complexity and professional rendering the financial planning or consulting services, but typically the fees range from \$100 - \$350 on an hourly basis, billed in 15 minute increments, or \$99 - \$749 on a fixed fee basis. Advice-On-Demand Fees are non-negotiable.

#### *Ongoing Financial Guidance/Coaching*

Ongoing financial guidance/coaching services are provided under a monthly subscription/retainer agreement. Fees for this service range from \$49 to \$249 per month based on the scope and complexity of the ongoing services being provided.

#### *Bitcoin and Digital Currency Consulting*

Consulting services are provided as part of our Advice-On-Demand financial planning and consulting program, with non-negotiable flat fees ranging from \$99 - \$249 based on the scope of the consulting services offered.

*Financial Education Workshops, Webinars and Speaking Engagements*

Individual workshops and webinars, including multi-session financial education courses and programs, may be offered free of charge, or with fees ranging from \$25 - \$1,499 per attendee. Fees for in-person workshops and speaking engagements for groups, clubs and organizations may occasionally be provided for free, or with fees ranging from \$749 - \$25,000, plus expenses, depending on the topic, number of attendees and presenter.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Finivi requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

**Investment Management Fees**

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Finivi offers investment management services for an annual fee based on the amount of assets under the Firm’s management. This blended management fee varies in accordance with the following fee schedules:

*Fixed Income Portfolios*

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$250,000	1.00%
Next \$250,000	0.95%
Next \$250,000	0.90%
Next \$250,000	0.85%
Next \$1,000,000	0.80%
Next \$3,000,000	0.70%
Amounts above \$5,000,000	0.65%

*Equity Portfolios*

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$250,000	1.50%
Next \$250,000	1.40%
Next \$250,000	1.30%
Next \$250,000	1.20%
Next \$1,000,000	1.10%
Next \$3,000,000	1.00%
Amounts above \$5,000,000	0.90%

*Schwab Institutional Intelligent Portfolios*

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$25,000	0.50%
Next \$25,000	0.45%
Next \$50,000	0.40%
Amounts above \$100,000	0.35%

The annual fee is prorated and charged quarterly, in advance. The initial fee for any partial calendar quarter shall be appropriately pro-rated based on the number of calendar days in the partial quarter. Thereafter, the fee shall be calculated at the beginning of each calendar quarter based on the average daily balance of client’s account for the prior quarter. However, with respect to participation in the Program, if an account is opened in the last month of a calendar quarter, the Program Fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on the day after assets are deposited into the client’s account.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Finivi may negotiate a fee rate that differs from the range set forth above.

**Fee Discretion**

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Finivi may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

**Additional Fees and Expenses**

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In addition to the advisory fees paid to Finivi, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), 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. The Firm's brokerage practices are described at length in Item 12, below.

## **Direct Fee Debit**

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Clients provide Finivi with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Finivi.

## **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to Finivi's right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client's account. Clients can withdraw account assets on notice to Finivi, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Finivi may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Finivi (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Finivi.

Under this arrangement, clients may implement securities transactions through certain of the Firm's Supervised Persons in their respective individual capacities as registered representatives of Triad Advisors, LLC ("Triad") (the "Brokerage Relationship"). TRIAD charges brokerage commissions to effect certain of these securities transactions and thereafter, a portion of these commissions can be paid by TRIAD to such Supervised Persons. As stated above, prior to effecting any transactions through the Brokerage Relationship, clients are required to enter into a new account agreement with TRIAD. The brokerage commissions charged by TRIAD may be higher or lower than those charged by other broker-dealers. The Firm may recommend no-load funds.

A conflict of interest exists to the extent that a Supervised Person of The Firm recommends the purchase or sale of securities where that Supervised Person receives commissions or other additional compensation as a result of that recommendation. The Firm has procedures in place to ensure that any recommendations

made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Because the Supervised Persons may receive compensation in connection with the sale of mutual funds through the Brokerage Relationship, a conflict of interest exists as such Supervised Persons may have an incentive to recommend more expensive mutual fund share classes to clients where such Supervised Persons earn more compensation with respect to the sale of such mutual fund share classes. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that Finivi, in its sole discretion, deems appropriate, Finivi provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, Finivi offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of Triad.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Finivi does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets).

## **Item 7. Types of Clients**

Finivi offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Clients eligible to enroll in the Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to ERISA are not eligible for the Program.

### **Minimum Account Value**

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The Firm does not have a hard minimum for starting and maintaining an investment management relationship, but it may not provide its full investment management services to clients with less than a portfolio value of \$50,000. The minimum investment required to open an account in the Schwab Institutional Intelligent Portfolios program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000. The Program Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

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

### Methods of Analysis

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Finivi understands that investing in securities involves risk of loss that clients should be prepared to bear. At the same time, the Firm utilizes methods of security analysis which are attentive to risk factors that may impact the value of a security.

Research information is generated both internally and obtained from external sources. Finivi carefully studies this information and evaluates it based on numerous quantitative and qualitative considerations. The Firm's Chief Investment Officer who chairs the Firm's Investment Committee ("IC") manages the research and analysis function.

Below is a partial listing of external research sources Finivi may utilize:

- Prospectuses and filings with the Securities and Exchange Commission including annual reports, 10K's and 10Qs
- Corporate rating services
- Research materials prepared by others
- Company earnings announcements, news releases, and websites
- Financial newspapers, news and media organizations, magazines, and industry publications
- Analyst conference calls
- Government and economic reports

Finivi utilizes a combination of fundamental and cyclical analysis, supplemented to a lesser degree with technical analysis techniques. Subsequent to a comprehensive research and analysis process, securities are presented to the Investment Committee ("IC"), which meets as often as necessary. During these meetings, securities are subjected to further examination. The IC meetings include detailed discussions and presentations related to current economic, political, sector, industry and company-specific issues. The IC determines the securities considered appropriate for inclusion in the Firm's model portfolios.

Following is a description of fundamental, cyclical and technical security analysis along with Finivi's process for screening and choosing mutual funds and ETF's that the Firm may at times choose to add to its model portfolios for strategic reasons as noted further below.

#### *Fundamental Analysis*

Finivi employs a comprehensive, fundamental approach to security analysis. Fundamental analysis involves a bottom-up assessment of a company's potential for success in light of many factors including its financial condition, earnings outlook, strategy, management, industry position, and economic and market conditions. A decision to buy, sell, or hold a particular security in a client's portfolio is directly influenced

by the Firm's expectations of how fundamental factors are anticipated to impact long-term valuation. Under this approach, Finivi routinely examines a company's financial statements and concurrently considers the impact that prevailing economic, political, and industry circumstances may have on its future value. After researching and analyzing relevant fundamental information, the Firm develops a judgment of a security's investment potential. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

#### *Cyclical Analysis*

This method of analysis looks at a securities sensitivity to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the energy, steel and housing industries. The goal is to purchase securities in those companies expected to benefit from the current or evolving economic environment, and potentially sell securities in industries or sectors that may, in turn, fall out of favor during the same stage of the business cycle.

A substantial risk in relying upon Cyclical Analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Finivi will be able to accurately predict such reoccurrence.

#### *Technical Analysis*

Technical analysis involves the examination of past market data rather than specific issuer information in helping to determine whether to purchase or sell a security. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages, market trading volumes, price levels, and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The risks of technical analysis are similar to those of cyclical analysis.

#### *Mutual Fund and ETF Analysis*

Finivi looks at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. The Firm also reviews and analyzes the underlying assets in a mutual fund or ETF in an attempt to determine if there is a significant overlap in the underlying investments already held within the Firm's portfolios. Finivi also monitors the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

#### *Institutional Intelligent Portfolios™*

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs

invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

## Investment Strategies

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### *General Strategy*

Finivi is predominately an active investment manager. Active money management is the use of a human element to actively manage a portfolio. It is a strategy that does not follow the efficient market hypothesis but believes it is possible to profit from the stock market through any number of strategies that aim to identify mispriced securities. Active managers rely on analytical research, forecasts, and their own judgment and experience in making investment decisions on what securities to buy, hold and sell. The opposite of active management is called passive management, better known as “indexing.”

The objective of active management is to produce better returns than those of passively managed index funds. This strategy attempts to anticipate market movements, which may entail being defensive and holding higher levels of cash or other safe haven securities if a weaker market is anticipated. In contrast, an attempt would be made to become more opportunistic if a stronger market is anticipated. An actively managed portfolio may not attempt to be diversified, but rather may focus on areas of the market that price appreciation is anticipated while attempting to avoid weaker areas of the market.

Finivi generally utilizes a core-satellite approach to managing assets which involves developing long term strategic asset allocations and making tactical adjustments to them based on the Firm’s capital market expectations. These expectations are derived from historical market data and fundamental, quantitative and economic analysis. These strategic allocations and tactical adjustments determine the combined allocations to the various asset classes and specific securities in the core and satellite portions of the portfolio.

In implementing the core equity portion of a portfolio, Finivi generally utilizes common stocks of large, domestic and international companies who have consistently raised their dividend over an extended period of time, and whose stock price has demonstrated a low correlation to the overall market throughout a complete economic cycle. Core holdings are meant to be held long-term, and as such help reduce client's overall portfolio management expenses. Generally clients with lower risk tolerance levels and/or shorter investment time horizons will have a larger percentage of the equity portion of their portfolios invested in core versus satellite holdings.

The satellite equity portion of the portfolio may be invested in both dividend and non-dividend paying common stocks, and to a lesser extent ETFs, depending on the underlying investment strategy of the portfolio. Satellite holdings are more strategic and are traded more frequently than core holdings to take advantage of economic cycles, or company and industry-specific trends and are designed to potentially boost the overall returns of a client’s portfolio. This is referred to as Tactical Asset Allocation. Satellite

holdings tend to be more volatile than core holdings, and although they are meant to be held on average for 1-5 years, they may be held for less than a year based on overall market or company specific conditions.

Finivi uses a dynamic and disciplined investment approach in selecting individual equity and fixed income securities. This approach allows for greater flexibility, greater tax efficiencies, and lower expenses. With limited exceptions, mainly in the bond or fixed income category, Finivi does not utilize mutual funds thereby avoiding inefficiencies and additional layers of fees.

Finivi's security selection process seeks to maximize growth while remaining within the risk tolerance level of each client. Capital preservation, however; is also an important consideration of the Firm's investment philosophy. Finivi believes it is inappropriate to take an unwarranted risk in either portfolio structure or individual securities.

As appropriate, Finivi will invest in public companies that are expected to benefit from movements in commodity prices without exposing a portfolio to the volatility of derivatives that is inherent in futures and options contracts. The Firm also invests in real estate via publicly traded real estate investment trusts ("REITs"), if appropriate. Finivi believes these non-traditional asset classes further diversify the portfolio and reduce risk. In both cases, the Firm selects liquid investments.

#### *Concentrated Portfolios*

For more risk-tolerant clients, with long-term investment time horizons, Finivi may from time-to-time choose to hold concentrated positions in certain securities with the Firm's aggressive growth portfolios, to attempt to capitalize on market or company specific opportunities Finivi feels are favorable. As concentrated portfolios hold fewer different securities than a more diversified portfolio, they are much more likely to experience sudden dramatic price swings both positive and negative. In addition, the rise or drop in the price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

#### *Client Investment Portfolio Selection*

The investment strategy for a particular client is based on the objectives stated by the client during consultations. Linking a client's financial and lifestyle objectives to their investment strategy is at the core of Finivi's overall investment management philosophy. As such, the Firm begins the investment process by carefully listening to the client and gaining a thorough understanding of the client's goals, lifestyle objective's, risk tolerance, time horizon, and other circumstances. Finivi then determines an appropriate investment strategy for the client based on that understanding. For most clients, this would be memorialized in an investment policy statement. Further customization of a client's overall investment strategy takes into

consideration individual client preferences such as social investing, concentrated positions, existing holdings, taxes, and other considerations.

Finivi then matches the client's investment objectives with one or more of the Firm's model portfolios. The investment strategy provides a framework for determining the asset allocation that properly balances risk and reward over a long-term time horizon. Asset allocation is the relative mix of cash, fixed income, and equity securities suitable for a client's investment portfolio. Although strategies can be changed if necessary, adhering to the asset allocation over the pre-determine time horizon seeks to provide enhanced portfolio returns with reduced volatility.

#### *Description of Principal Security Types*

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Different types of equity securities provide different voting and dividend rights and priority in the event of the bankruptcy of the issuer. Equity securities include common stocks, preferred stocks, REIT units, convertible securities, and warrants. Equity investments in client portfolios are substantially in common stocks.

Fixed income (debt) securities are used by issuers to borrow money. The issuer usually pays a fixed, variable, or floating rate of interest, and must repay the amount borrowed, usually at the maturity of the security. Some debt securities, such as zero coupon bonds, do not pay current interest but are sold at a discount from their face values. Fixed income securities include corporate bonds, government securities, agency securities, and mortgage and other asset-backed securities.

#### Equity – Principal Investment Strategy

Client assets allocated to equities are primarily invested in a diversified portfolio of publicly-traded common stocks. Finivi primarily invests in U.S. domestic companies and achieves international and global diversification through either direct investment in foreign-based companies or by investing in U.S. corporations with an international scope. The Firm also invests in publicly-traded REITs, and strategically utilize select exchange-traded funds (ETFs) to gain broader sector exposure as warranted.

Investments in equity portfolios are intended to be long-term with an emphasis on total return, which includes capital appreciation and dividend income. Finivi is not constrained by any particular investment style. This means the Firm can invest in large, mid, or small-cap stocks having value, blend, or growth qualities. However, the Firm generally invests a majority of equity assets in large-cap stocks.

#### Fixed Income - Principal Investment Strategy

Client assets allocated to fixed income securities are primarily invested in a diversified portfolio of publicly-traded corporate bonds, government securities, agency securities and municipal bonds. Fixed income investments are managed to generate income as well as add stability to client's portfolios with the key focus being on safety. A substantial majority of fixed income investments are in domestic corporate securities

rated investment-grade or better at the time of purchase by Standard and Poor's or Moody's. Investment grade securities include all types of fixed income debt instruments that are considered to be of medium or higher quality. Diversification is enhanced by investing in a variety of issuers, in different sectors, and in different industries. To lessen the impact of changing interest rates and inflation, portfolios are comprised of holdings having assorted maturity dates usually ranging from 1 to 10 years. Finivi plans to hold bonds until maturity, which results in lower turnover and costs to clients and a more predictable income stream. Finivi continually monitors its fixed income holdings, interest rates, and market conditions for circumstances which may require an action prior to a bond's maturity.

In addition to individual fixed income securities, Finivi may use low-cost, fixed income mutual funds or ETFs to gain broader exposure and diversification in the fixed income marketplace, including, but not limited to, foreign or emerging markets bond mutual funds or ETFs

### **Risk of Loss**

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Finivi believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that an investment objective will be achieved. Investing in securities involves risk of loss that clients should be prepared to bear. Security markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. When securities are sold they may be worth more or less than what they were purchased for, which means that clients could lose money.

In the normal course of managing client equity and fixed income portfolios, Finivi does not:

- Buy or sell futures or options contracts;
- Conduct short-selling trading activities;
- Utilize market timing strategies;
- Directly own commodities, precious metals or natural resources; or
- use any leveraging methods.

Many factors affect portfolio performance. Portfolio values change daily based on changes in market conditions and interest rates and in response to other economic, political, or financial developments. A portfolio's reaction to these events will be influenced by the types of securities it holds, the issuers underlying financial condition, industry and economic sector matters along with the geographic location of an issuer, and the relative level of an investment in the securities. The following factors can significantly affect a portfolio's performance.

#### *Market Volatility*

The value of equity and fixed income securities fluctuate in response to issuer, political, market, and economic developments. Fluctuations can be acute over the short as well as the long term. Several parts of the market and different types of securities can react differently to these developments. For example,

large-cap stocks can react differently from small-cap stocks, and “growth” stocks can react differently from “value” stocks. Events can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. The financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

#### *Interest Rate Changes*

Fixed income (debt) securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes.

#### *Foreign Exposure*

Foreign securities, foreign currencies, and securities issued by U.S. entities with a substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies; withholding or other taxes; trading, settlement, custodial, and other operational risks; and less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those of emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

#### *Issuer-Specific Change*

Changes in the financial condition of an issuer, an issuer reducing or suspending its dividend payments, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer, which can affect a security’s or instrument’s credit quality or value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Lower-quality debt securities (those of less than investment-grade quality) and certain types of other securities tend to be particularly sensitive to these changes.

#### *Research Data*

When research and analysis are based on commercially available software, rating services, general market and financial information, or due diligence reviews, Finivi is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While Finivi makes every effort to determine the accuracy of the information received, the Firm cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of a client’s portfolio.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes (Non-Qualified Accounts) on any fund-level capital gains, as mutual funds and ETF's are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Cryptocurrencies*

A digital currency is an identifiable exchangeable asset without physical substance. A cryptocurrency, which is a type of digital currency, is available solely in digital form, and for the most part is decentralized and not subject to any government control. Investing in cryptocurrencies is highly speculative, involving a host of risks and vulnerabilities, including, but not limited to, extreme price volatility, cyberattacks, computer outages and other technological risks, challenges associated with investors and custodians keeping the assets safe, extremely limited liquidity, risks associated with the issuer, information asymmetries and market interference, risks related to governance of the currency itself, the impact of future regulation, and human error, which could lead to the loss of all amounts invested.

### *Management Risk*

Finivi's investment decisions including its strategic and tactical allocation assumptions, including cash balances, may be incorrect, and as a result, may cause the underperformance of a client's portfolio relative to other similar investment alternatives.

The risk factors cited here are not intended to be an exhaustive list but are the most common risks client portfolios will encounter. Other risks that could impact a portfolio's performance include but are not limited to, currency risks, liquidity risk, credit and financing risks, call or prepayment risks for certain bonds, and commodity price risks.

### *Schwab Institutional Intelligent Portfolios*

The Program Disclosure Brochure includes a discussion of various risks associated with the Program, including the risks of investing in ETFs, as well as risks related to the underlying securities in which ETFs invest. In addition, the Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

## **Item 9. Disciplinary Information**

Finivi has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Registered Representatives of a Broker-Dealer**

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Certain of the Firm's Supervised Persons are registered representatives of Triad and provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### **Licensed Insurance Agency**

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Finivi is a duly licensed insurance brokerage agency. Additionally, a number of the Firm's Supervised Persons are licensed insurance brokers and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Finivi recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Item 11. Code of Ethics

Finivi has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Finivi’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Finivi’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Finivi to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

Finivi recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division (“Schwab”) for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Finivi is independently owned and operated and not affiliated with Schwab. Schwab provides Finivi with access to its institutional trading and custody services, which are typically not available to retail investors.

Client accounts enrolled in the Program are maintained at, and receive the brokerage services of, Schwab. While clients are required to use Schwab. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with Schwab. by entering into a brokerage account agreement directly with Schwab. The Firm does not open the account for the client. If the client does not wish to place his or her assets with Schwab., then the Firm cannot manage the client’s account through the Program.

Factors which Finivi considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Schwab has also agreed to reimburse clients for exit fees associated with moving accounts to Schwab. The reimbursement is only available up to a certain amount for all of the Firm’s clients over a twelve month period. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Finivi’s clients to Schwab comply with the Firm’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Finivi determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Finivi seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Finivi in its investment decision-making process. Such research will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The

receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Finivi does not have to produce or pay for the products or services.

Finivi periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

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Finivi receives without cost from Schwab administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Finivi to better monitor client accounts maintained at Schwab and otherwise conduct its business. Finivi receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Finivi, but not its clients directly. Clients should be aware that Finivi's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing a certain level(s) of assets at Schwab. In fulfilling its duties to its clients, Finivi endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Finivi receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for marketing, technology, consulting or research expenses. The initial funds are available regardless of assets held at Schwab. Subsequent funds are available only upon assets being transferred to Schwab over a 12 month period at \$65 million, \$100 million and \$125 million asset thresholds.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Finivi by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Finivi in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Finivi other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Finivi endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

Finivi does not pay SPT fees for its services in connection with the Program so long as it maintains \$100 Million in client assets in accounts at Schwab that are not enrolled in the Program. In light of this arrangements with Schwab, this is a conflict of interest, because the Firm has an incentive to recommend that clients maintain their accounts with Schwab based on the Firm's interest in receiving Schwab's services that benefit its business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. As set forth above, in fulfilling its duties to its clients, Finivi endeavors at all times to put the interests of its clients first.

### **Benefits Received from Triad**

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Triad provides certain assistance for the Firm to transition business as an independent investment adviser. The assistance includes support with paperwork, software licenses, recruiting and transition assistance,

business guidance, and attendance at Triad's national conference. In addition, Triad provided a forgivable loan to the Firm or its Supervised Persons. The loan was intended to cover various miscellaneous expenses involved in transitioning business to the Firm as investment adviser. The loan payment repayable by the Firm is forgiven over sixty (60) months. 1/5th of the loan is forgiven after each twelve (12) month period.

The forgiveness is not tied to any amount of securities transactions made by Supervised Persons with Triad or assets held in advisory accounts with Triad or any other custodian, but does require certain of the Firm's Supervised Persons to maintain registration with Triad. The receipt of such benefits by the Firm creates conflicts of interest relating to Finivi's advisory business because it creates a financial incentive for the Firm to utilize Triad for brokerage accounts. Finivi seeks to mitigate these conflicts of interest by evaluating Triad's services to determine that the recommendation to use Triad is based on the benefits that such services provide to clients, rather than the benefits received by the Firm. However, clients should be aware of this conflict and take it into consideration in making a decision whether to engage the Firm or any of its Supervised Persons as registered representatives of Triad.

## **Brokerage for Client Referrals**

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Finivi does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

## **Directed Brokerage**

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The client may direct Finivi in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by Finivi (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Finivi may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

## **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of Triad. These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Triad provides written consent. Therefore, clients are advised that certain Supervised Persons are restricted

to conducting securities transactions through Triad if they have not secured written consent from Triad to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Triad, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than Triad under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### Trade Aggregation

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Transactions for each client will be effected independently, unless Finivi decides to purchase or sell the same securities for several clients at approximately the same time. Finivi may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Finivi’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Finivi’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Finivi does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. Schwab. may aggregate purchase and sale orders for clients across accounts enrolled in the Program, including both accounts for the Firm’s clients and accounts for clients of other independent investment advisory firms using the Platform.

## Item 13. Review of Accounts

### Account Reviews

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Finivi monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's Chief Investment Officer. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Finivi and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Finivi and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Finivi or an outside service provider.

## Item 14. Client Referrals and Other Compensation

The Firm does not currently provide compensation to any third-party solicitors for client referrals. The Firm receives benefits for providing services to clients from Schwab and Triad as described in Item 12.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution authorize Finivi to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Finivi.

In addition, as discussed in Item 13, Finivi will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Finivi.

## **Item 16. Investment Discretion**

Finivi is given the authority to exercise discretion on behalf of clients. Finivi is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Finivi is given this authority through a power-of-attorney included in the agreement between Finivi and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Finivi takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

## **Item 17. Voting Client Securities**

Finivi does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations. Finivi has designated SPT to vote proxies for the ETFs held in their Schwab Instructional Intelligent Portfolio program accounts, as described in the Program Disclosure Brochure. Finivi has directed SPT to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SPT for this purpose. Additional information about this arrangement is available in the Program Brochure. Clients who do not wish to designate SPT to vote proxies may retain the ability to vote proxies themselves by signing a Schwab form available upon request from Finivi.

## **Item 18. Financial Information**

Finivi is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.