

IMA Advisory Services, Inc.

Doing business as

**syntrinsic**

**FIRM BROCHURE**

**January 1, 2025**

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This brochure provides information about the qualifications and business practices of IMA Advisory Services, Inc., (IMAAS) doing business as Syntrinsic. If you have any questions about the contents of this brochure, please contact us at (303) 296-7100 or [Valerie.Ruppel@imacorp.com](mailto:Valerie.Ruppel@imacorp.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.

Additional information about IMAAS also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. IMAAS' CRD number is 112091.

References herein to IMAAS as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes

On January 1, 2025, Syntrinsic LLC and its affiliate, IMA Advisory Services, Inc. ("IMA Advisory Services" or "IMAAS") merged into a single company, with IMA Advisory Services as the surviving entity. Syntrinsic will continue to operate as a business unit of IMAAS, doing business under the brand name, Syntrinsic.

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## Item 4 Advisory Business

IMA Advisory Services, Inc. (IMAAS), doing business as Syntrinsic ("**Syntrinsic**," "**we**" or "**us**") is an SEC-registered investment adviser based in Denver, Colorado.

IMA Advisory Services, Inc. ("IMA Advisory Services", "we", or "us") is a registered investment adviser headquartered in Denver, Colorado, with offices in California, Kansas, Texas, Georgia, Utah and Massachusetts. We are organized as a corporation under the laws of the State of Kansas and have been providing investment advisory services since 2001. As of October 2023, we are wholly owned by IMA Advisors, a wholly owned subsidiary of IMA Financial Group, Inc

### **Services Described in this Brochure**

IMA Advisory Services has three brochures describing our services. This brochure focuses on our provided by Syntrinsic. Syntrinsic began as an independent registered investment adviser, founded in August 2008 as Syntrinsic Investment Counsel LLC. In 2023, Syntrinsic Investment Council was acquired by Advisors LLC ("**IMA Advisors**"), which is a wholly owned subsidiary of IMA Financial Group, Inc. ("**IMA**"). In January 2025, Syntrinsic merged with its affiliate IMA Advisory Services and continued to operate as an independent business unit, providing continuous services to its clients.

Advisory services provided to employers on qualified and non-qualified retirement plans or our Investment Supervisory and financial planning services are described in separate brochures. If you are interested in receiving the brochure that describes our retirement plan consulting services, please contact our office at 303-296-7100.

### **About Syntrinsic**

Syntrinsic develops, implements, and monitors customized investment portfolios for nonprofit organizations and civically-engaged private clients committed to using their financial resources for good. Our goal is to co-create a sustainable and generative world that empowers all people. Clients can elect to engage us in a non-discretionary, partial discretionary, or full discretionary basis. Our investment advisory fee can be based upon a percentage of assets, a fixed amount, or a hybrid that uses a fixed amount and a percentage of assets.

Our core services include:

- Investment Policy Statement Review and Development
- Capital Markets Forecasting
- Portfolio Development
- Portfolio Implementation
- Operational Support
- Performance Reporting
- Business Strategy and Structure
- Client Stakeholder Relations
- Education for Trustees, Staff, and other Client Stakeholders
- Impact Investing

We provide investment advisory services specific to the needs of each client. We meet with clients to identify investment objective(s), then develop investment portfolios that strive to meet to meet those objectives over an appropriate time frame. The client may, at any time, request reasonable restrictions, in writing, which we may accept if we feel they are consistent with our fiduciary duty/consistent with the client's best interests.

As of December 31, 2023, IMAAS had \$ 2,184,781,093 of consolidated client assets under management on a discretionary basis and \$472,867,784 of client assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

Clients pay Syntrinsic a fee for investment advice. The fee is either fixed, based on percentage of the assets under advisement, or a combination of both. We set fees in discussions with the client based on a variety of factors, including size, complexity, and service needs. Any additional investment-related fees are described below.

### Fee Calculations

In order to calculate our fee, we rely on quarter or month end values as reported through our performance reporting and portfolio monitoring software. While these values may vary from quarter or month-end values as reported on custodial statements due the timing of trade settlement, security price variation, dividend and interest payments, and other factors, it ensures that there is alignment between data used for billing and for performance reporting. We urge clients to review and compare this data with their custodial statements and contact us with any questions.

Both our Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of our investment advisory fee and to directly remit that management fee to us. In the event that we bill the client directly, payment is due upon receipt of our invoice. We deduct fees and/or bill clients quarterly, and in rare cases monthly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

We generally recommend that clients use either Pershing Advisor Solutions, LLC ("**Pershing**"), Fidelity Institutional Wealth Services ("**Fidelity**") and/or Charles Schwab and Co., Inc. ("**Schwab**") as the broker-dealer/custodian for client assets. If the client requests otherwise, we can work with clients to custody assets at other broker-dealers/custodians. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to our investment advisory fee and the custodian's brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange-traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). In addition, if a client decides to retain a separate account money manager, then Pershing, Fidelity, Schwab, and/or another custodian will charge a fee for custody and trading in addition to the manager's fee and separate from our fees. The fees, if any, charged by broker-dealers, are not shared with Syntrinsic. Please refer to Item 12 of this Brochure for additional information about how clients can access brokerage services.

Our annual investment advisory fee is prorated and paid quarterly or monthly, in advance, based upon the market value of the assets on the last business day of the previous quarter. If circumstances require, fees can be paid in arrears.

Our asset-based fees are generally based on the following guidelines:

<b>Market Value of Portfolio</b>	<b>% of Assets</b>
First \$10,000,000	Up to 1.00%
Next \$40,000,000	Up to 0.50%
Next \$50,000,000	Up to 0.35%
Above \$100,000,000	Up to 0.25%

Neither we nor our personnel accept compensation from the sale of securities or other investment

products. We do not have any soft dollar arrangements with any custodian, and neither we nor our personnel accept direct or indirect compensation or gifts from money management firms. We pay the costs of our research and due diligence.

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

Not applicable.

## Item 7 Types of Clients

Our clients generally include charitable organizations, trusts, estates, individuals, family partnerships, and retirement plans. While we strive to serve clients with assets in excess of \$15 million, we may elect to serve clients with assets below that level.

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

We may use the following methods of economic analysis:

### **Capital Markets Forecast**

On an annual basis, we forecast the long-term (ten year) return of major assets class and market segments using a building blocks method to establish reasonable expectations. In addition, we craft a near-term (less than three years) sentiment that strives to identify potential return and risk factors across asset classes and geographic regions. We provide this Capital Markets Forecast to all clients at least annually and may provide additional updates as conditions warrant. A copy of the most recent Capital Markets Forecast is available upon request.

### **Asset Allocation Analysis**

We assist clients in determining the suitability of multiple asset classes and styles, and recommends asset allocation blends that to strive to meet the organization's spending and growth objectives, risk tolerance, time horizon, impact objectives, and other key factors. We use efficient frontier modeling, Monte Carlo analysis, and other analytic tools to support the crafting of asset allocation blends. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, market sector, or asset class. Another risk is that the ratio between asset classes will change over time due to market movements and, if not corrected, will no longer be appropriate for the client's goals.

### **Third-Party Manager Analysis**

When implementing client portfolios, we rely upon accessing third-party money managers that may be structured as separate account managers, mutual funds, exchange traded funds, or private placements. In all cases, regardless of structure, we consider the quality of an investment company, portfolio management team, investment strategy, and historic performance in an attempt to determine if that manager has demonstrated an ability to invest effectively over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of its overall periodic risk assessment. Additionally, as part of the due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio,

making it a less suitable investment for clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for Syntrinsic to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Risks for all forms of analysis** – Our method of analysis relies on the assumption that publicly-available sources of economic, market, and money manager information are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We don't trade at high frequency, and generally purchase investments with the intent of holding them for a year or longer, barring changes in our analysis or in the clients' objectives and risk tolerance. Security investments are not guaranteed and all may result in losses.

We may utilize the following investment strategies when implementing investment advice given to clients:

Long Term Purchases - we purchase investments with the idea of holding them in the client's account for a year or longer. We might do this because we want exposure to a particular asset class over time, regardless of the current projection for this class. Despite this intention, we may recommend that a client reduce or terminate an investment that has been held for less than a year if deemed appropriate given the firm's analysis and/or changes in the client's objectives and risk tolerance.

A risk in a long-term purchase strategy is that by holding the investment for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, an investment may decline sharply in value before we make the decision to sell.

**Risk of Loss For All Investments** – Security investments are not guaranteed and may result in losses. Clients are asked to communicate with Syntrinsic on their current risk tolerance level.

## Item 9 Disciplinary Information

We have no disciplinary information to report under this item.

## Item 10 Other Financial Industry Activities and Affiliations

IMA Advisory Services, Inc. is owned by IMA Advisors. IMA Advisors is also the parent company to RedRidge Diligence Services, LLC ("RedRidge"). RedRidge provides financial due diligence services, principally in connection with mergers and acquisitions activity and asset-based lending arrangements. IMA Advisory Services, may be engaged to provide retirement plan due diligence services for clients that also engage RedRidge for their services. All engagements with RedRidge will be independent of services provided by IMA Advisors. You are not obligated to use RedRidge for your financial due diligence.

IMA Advisors is wholly owned by IMA Financial Group, Inc. ("IMA"). IMA has numerous subsidiary corporations which are engaged in retail and wholesale insurance operations. If you need professional insurance services for yourself or your business, we will refer you to IMA and its subsidiaries. Should insurance products be purchased as a result of this referral, IMA Advisory Services' associated persons could be eligible to receive a percentage of the commissions generated by these sales. You are not obligated in any way to use IMA and its subsidiaries to purchase insurance products.

IMA Advisory Services is also a registered insurance agency. Certain employees are licensed

to sell life health, disability, and long-term care insurance. As such, these employees may recommend that a client (in his or her separate capacity as an insurance customer) buy insurance products which are entirely separate from investments made for the client's managed account. For these separate insurance recommendations, the employees will receive customary insurance compensation. Clients, however, are not under any obligation to engage these employees when considering implementation of insurance recommendations.

The possibility of receiving additional compensation from selling insurance products to a client provides an economic incentive for an employee to recommend these products based on the compensation to be received rather than on a client's investment needs. This is a conflict of interest that clients should consider.

We have adopted the following steps to address this conflict of interest in this situation:

- we disclose the existence of the conflict of interest that arises from the incentive an employee has to earn additional compensation from recommending the purchase of insurance products over and above the advisory fees we receive, and we endeavor to act consistent with our fiduciary duty;
- we disclose to clients they have the right to decide whether or not to act on such recommendations;
- we request clients to provide and update material information regarding their personal and financial situation, and the investment objective, tolerance for risk, liquidity needs, and investment time horizon for the advisory account that will be managed by us, and we conduct regular reviews of account investments;
- we require that our employees seek prior approval of outside employment activity so that we may detect conflicts of interests and ensure such conflicts are properly addressed;
- we periodically ask employees to certify information regarding their disclosed outside employment activities; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

If you wish to purchase these products, we will offer them to you as an agent or producer of IMA Advisory Services' insurance agency. If you purchase these products through IMA Advisory Services' insurance agency our associated persons are eligible to receive a percentage of the commissions generated by these sales. These referrals and payments are made pursuant to agreements between IMA Advisory Services, and such individuals. You are not obligated to use IMA Advisory Services to purchase insurance products if you are a client of IMA Advisory Services.

Please see Item 14 ("Client Referrals and Other Compensation") for information about other referral arrangements between IMA Advisory Services, Inc. and its affiliates.

## Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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

We have adopted a Code of Ethics expressing our commitment to ethical conduct. Our Code of Ethics describes our fiduciary responsibilities to our clients, and our procedures in supervising the personal securities transactions of our supervised persons who have access to information regarding client recommendations or transactions ("access persons").



A copy of our Code of Ethics is available to our clients and prospective clients. You may request our Code of Ethics by contacting us at the number listed on the cover page of this brochure.

We owe a duty of loyalty, fairness, and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics however also to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of our access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by our access persons. Among other things, our Code of Ethics also requires the prior approval of any equity or fixed income securities transactions, any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

Our Code also provides for oversight, enforcement, and recordkeeping provisions. Our Chief Compliance Officer may grant exceptions to certain provisions contained in the Code where we reasonably believe the interests of our clients will not be materially adversely affected or compromised. Doubts arising in connection with personal securities trading should be resolved in favor of the client even at the personal expense of our employees.

Our Code of Ethics prohibits the misuse of material non-public information. While we do not believe that we have any access to material non-public information regarding publicly traded companies that would be subject to misuse, all employees are reminded that any such information may not be used in a personal or professional capacity. IMA Advisory Services, and its principals, officers, affiliates, employees, and advisors may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner, or stockholder of one or more investment partnerships or other businesses, subject to compliance with our Code of Ethics. In doing so, IMA Advisory Services, or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Protecting the confidentiality of our clients' nonpublic information is important to us. We have instituted policies and procedures to ensure that nonpublic customer information is kept confidential. We do not disclose nonpublic personal information about our clients or former clients to any non-affiliated third parties, except as provided pursuant to our privacy policies or as required by or permitted by law. In the course of servicing a client's Account, we may share client information with service providers, such as custodians, transfer agents, accountants, and attorneys.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Item 12 Brokerage Practices**

### **Brokerage Generally**

In the event that a client requests that we recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct us to use a specific broker-dealer/custodian), we generally recommend that investment management accounts be maintained at Pershing, Fidelity and/or Schwab. Prior to engaging us to provide investment management services, the client will be required to enter into an Investment Advisory Agreement with us setting forth the terms and conditions under which we manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending a broker-dealer/custodian to clients include historical relationship with Syntrinsic, client type, financial strength, reputation, execution capabilities, pricing, and service. Consistent with our duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage 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 broker-dealer's services, including the value of execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our investment management fee.

### **Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive from Pershing, Fidelity and/or Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Others do not directly provide such assistance, but rather assist us to manage and further develop our business enterprise. Clients do not pay more for investment transactions affected and/or assets maintained at Pershing, Fidelity and/or Schwab as a result of these arrangements. There is no corresponding commitment made by Syntrinsic to Pershing, Fidelity and/or Schwab or any other entity to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements.

#### *Pershing*

We may recommend/require that clients establish brokerage accounts with Pershing Advisor Solutions LLC ("**PAS**") of One Pershing Plaza, 95 Christopher Columbus Drive, Jersey City, New Jersey 07399, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend/require that clients establish accounts at PAS, it is the client's decision to custody assets with PAS. IMAAS is not affiliated with PAS.

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

PAS also makes available to Syntrinsic other products and services that benefit Syntrinsic but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at PAS.

PAS's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

PAS also offers other services intended to help us manage and further develop our business enterprise. These services may include (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii)

access to employee benefits providers, human capital consultants and insurance providers. PAS may make available, arrange and/or pay third-party vendors for the types of services rendered to us. PAS 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 us. PAS may also provide other benefits such as educational events to our personnel. In evaluating whether to recommend or require that clients custody their assets at PAS, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by PAS, which may create a potential conflict of interest.

#### *National Financial Services, LLC*

We have an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "**Fidelity**") through which Fidelity provides us with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Syntrinsic in conducting business and in serving the best interests of their clients but that may benefit Syntrinsic.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain some no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to Syntrinsic, at no additional charge to Syntrinsic, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Syntrinsic (within specified parameters).

We may also receive additional services which may include educational events, consulting on practice management items including technology, compliance, and business procedures. Without this arrangement, we might be compelled to purchase the same or similar services at its own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of our clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the services that we may obtain will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for services that are not used in managing that specific client's account. IMAAS and Fidelity are not affiliates.

#### *Schwab Advisor Services*

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business

serving independent investment advisory firms like Syntrinsic. They provide us and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. The following is a more detailed description of Schwab's support services:

Services that benefit clients: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the client might not otherwise have access or that would require a significantly higher minimum initial investment by Clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

Services that may not directly benefit clients: Schwab also makes available to Syntrinsic other products and services that benefit Syntrinsic but may not directly benefit individual clients or their accounts. These products and services assist in managing and administering clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements) to:

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only Syntrinsic: Schwab also offers other services intended to help Syntrinsic manage and further develop its business. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Syntrinsic. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Syntrinsic's interest in Schwab's services: The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. We may have an incentive to recommend that clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on the clients' interest in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as a custodian and broker is in the best interests of clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that

benefit only Syntrinsic.

### **Referral Fees From Broker-Dealers**

We do not receive referrals from broker-dealers.

### **Directed Brokerage**

As we do not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct us as to the broker dealer to be used. In the event that a client requests that we recommend a broker-dealer/custodian for execution and/or custodial services, we generally recommend that investment management accounts be maintained at Pershing, Fidelity and/or Schwab, as we have evaluated these broker-dealers versus other competitors in the landscape and believe they will provide clients with a blend of execution services, commission costs and professionalism that will assist us in meeting our fiduciary obligations to our clients. In client-directed arrangements in which the client selects an alternative broker-dealer, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that a client directs us to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Syntrinsic.

### **Trade Aggregation**

To the extent that we implement our investment recommendations to our clients, the transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) aggregate or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. We do not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13 Review of Accounts**

We strive to meet with clients via phone or in person at least annually to review their objectives, investment portfolio, and market conditions to ensure continued alignment of the client's investment strategy. From time-to-time, we prepare written recommendations and research pieces that help inform clients and serve as an opportunity for client feedback. Clients are asked regularly to inform us of any changes in their investment objectives and/or financial situation.

We may review accounts based on a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, or by client request.

Clients get a quarterly written report with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts.

We may also provide a written periodic report summarizing account activity and performance. You should always compare any report we provide to your custodial statements.

## Item 14 Client Referrals and Other Compensation

### **Client Referrals**

Some of our affiliated individuals also earn compensation based on (1) acquisition and retention of investment advisory client assets under management and (2) advisory fees paid to IMA Advisory Services. Should referred clients decide to hire us, these individuals will receive compensation. This is a conflict of interest because these affiliated individuals have an economic incentive to recommend our advisory services.

### **Economic Benefit from Schwab**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts with Schwab. The availability to us of Schwab's products and services is not based on us giving advice concerning any particular investment, such as buying particular securities for our clients.

### **Referral Arrangements with Third Parties**

We can recommend other investment advisers for our clients. For this referral, we will receive a portion of the fee paid to the other advisor for the referral. Clients are advised of this payment when considering whether to invest with the other investment adviser. The payment provides an incentive to recommend the other adviser based on the share of fees received rather than based solely on the client's investment needs.

## Item 15 Custody

We do not maintain physical custody of client assets; all client assets are held in custody with a qualified custodian. We are deemed to have custody because for certain clients we have authority to effect third party transfers from client accounts pursuant to standing letters of authorization and have permission from many clients to debit advisory fees from their accounts. Clients receive written transaction confirmation notices and regular account statements directly from the broker-dealer/custodian. We may also provide a written periodic report summarizing account activity and performance. The account custodian does not verify the accuracy of our advisory fee calculation. We urge clients to carefully review and compare these account statements.

## Item 16 Investment Discretion

We offer clients three levels of discretion. The level selected for each client is indicated on the client's Investment Advisory Agreement.

### **Non-Discretionary**

In non-discretionary engagements, we make recommendations to the client on both asset class allocation and investment manager selection. The client makes the ultimate decision on both the allocation and managers prior to implementation.

### **Partial Discretionary**

In partial discretionary engagements, we make recommendations on the client's asset class allocation, with the client making the final decision. We are responsible for selecting investment

managers to implement the asset allocation.

### **Full Discretionary**

We clients engage us on a full discretionary basis, we are responsible for selecting an appropriate asset class allocation consistent with the client's spending and growth objectives, risk tolerance, time horizon, and other key factors. In addition, we are responsible for selecting investment managers to implement the asset allocation.

## **Item 17 Voting Client Securities**

As outlined in the client's Investment Advisory Agreement with Syntrinsic, the client either accepts responsibility for voting proxies and legal actions, bankruptcies, class actions/proofs of claim or can assign this responsibility to Syntrinsic. In some cases, a client might assign proxy voting responsibility to a third party money manager or outside proxy voting firm.

- If the client chooses to keep this responsibility, the client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client will be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's assets.
- If the client chooses to assign this responsibility to Syntrinsic, Syntrinsic will cast votes on behalf of the Client in accordance with our written policies and procedures.

Proxies, legal actions, and all notices are sent directly from the custodians. Clients may contact Syntrinsic for further information.

## **Item 18 Financial Information**

Not applicable.