



## **2. Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes Since the Last Update**

Since Fiduciary Advisors, Inc.'s prior annual amendment, filed March 8, 2023, the Firm had the following material changes:

- Long-time employees Todd Grizzle and Melinda Trachsel purchased John Hefe's shares in Fiduciary Advisors, Inc. from his estate. Todd now has a 65% ownership interest and Melinda has a 35% ownership interest in the Firm.

As there are other non-material changes made to this Brochure, Fiduciary Advisors, Inc. encourages you to read this brochure in its entirety.

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### 3. Table of Contents

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## 4. Advisory Business

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### **Firm Description and Principal Owner**

Fiduciary Advisors, Inc. was incorporated in 2000 to provide consulting and investment management services. Todd Grizzle and Melinda Trachsel are principal owners of Fiduciary Advisors, Inc.

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### **Types of Advisory Services**

The advisory services offered by Fiduciary Advisors, Inc. (“FAI” or “Firm”) are normally offered as a complete package. When appropriate, we may offer certain services as stand-alone services if doing so is consistent with the needs of the client and the investment philosophy of the firm.

### **Participant Directed Retirement Plan Services**

- A) Analyze the Plan’s current investment and record keeping platform.
- B) Develop optimal investment program for the Plan:
  - i. determine appropriate asset classes;
  - ii. recommend appropriate investment alternatives for each asset class; and
  - iii. manage the investment process for selecting appropriate investment options.
- C) Prepare a written Investment Policy Statement for the Plan in consultation with the Plan Representative(s).
- D) Identify and recommend appropriate custodial and administration services.
- E) Monitor and evaluate investment options:
  - i. Prepare performance measurement reports comparing the mutual fund and portfolio performance to their appropriate peer group and indexes.
  - ii. Replace investment options in the event one or more funds fail to meet established investment objectives as outlined in the Investment Policy Statement.
- F) Provide participant education and investment advice in compliance with the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA), as modified by the Pension Protect Act of 2006 (PPA) and applicable regulations.
- G) Provide investment advice with respect to the selection of a qualified default investment alternative (“QDIA”) if such is required under the Plan.
- H) Serve as a fiduciary of the Plan within the meaning of Section 3(21) of ERISA and/or Section 3(38) of ERISA.

**Portfolio Management Services** (includes defined benefit, foundations/endowments, individuals, trusts)

- A) Development of a written Investment Policy Statement (IPS) or Financial Plan that outlines the investment objectives of the portfolio.
- B) Development of an asset allocation strategy designed to meet the objectives as identified in the IPS or Financial Plan.
- C) Execute the investment strategy by purchasing mutual funds, exchange traded funds, Certificates of Deposit (CDs) and individual bonds within the framework of the asset allocation strategy.
- D) Monitor the portfolio for adherence to IPS or investment assumptions in the Financial Plan. Rebalance the portfolio as necessary and provide for liquidity for cash flow needs.

**Financial Planning Services**

Fiduciary Advisors also provides hourly or project based financial planning and investment advice services to individuals of various income and asset levels. These services may be general in nature or focused on a particular area of interest or need, depending on the individual's unique circumstances.

- A) Gather information about the client's personal financial situation during an initial meeting.
- B) Determine the client's specific needs, objectives and goals.
- C) Analyze the current financial situation and possible future scenarios, if necessary.
- D) Present our significant observations, recommendations and suggestions for implementation based on the analysis.
- E) After the initial engagement is completed, the client may elect to end the engagement or continue with semi-annual reviews.

**Services in General**

Our investment recommendations and advice are tailored to the individual needs of each client. All investment recommendations and advice are based on information provided by the client or client's other professionals. In performing its services, Fiduciary Advisors, Inc. is not required to verify any information received from the client or from the client's other professionals.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Clients may limit the types of investments (such as not investing in a specific industry) by notifying us in writing.

**Managed Assets**

Fiduciary Advisors currently has total client assets of approximately \$ 1,541,500,000 including approximately \$1,463,200,000, in assets under discretionary management and \$78,300,000 in assets under non-discretionary management as of December 31, 2023.

## 5. Fees and Compensation

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### Description

Fiduciary Advisors, Inc. bases its fees on a percentage of Assets under Advisement, hourly charges, and fixed fees. All fees are negotiable.

### **Investment Advisory Fees**

Fiduciary Advisors will charge an annual fee based on the amount of the client's assets, as set forth in the fee schedule below, or a minimum annual fee of \$1,500 per portfolio will be charged for this service. Fees will be billed quarterly in arrears, based on the market value of each client account as of the last day of the quarter. Fees may be negotiated or waived in certain circumstances. Alternatively, the fee may be assessed on an hourly basis, ranging from \$100 to \$300 per hour or on an agreed upon fixed fee. The fee arrangement chosen by Fiduciary Advisors and the client will depend on the type of portfolio, complexity of investments, and required reporting procedures for each portfolio. In certain circumstances, minimum fees or account sizes may be negotiable or waived. The fee is due upon presentation of the statement to the client.

<b>Fee Schedule</b>	
<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$500,000	1.00%
Next \$500,000	0.75%
Over \$1,000,000	0.50%

### **Hourly and Project-Based Financial Planning and Investment Consulting Fees**

Fiduciary Advisors may charge an hourly fee based on an hourly rate of \$100 to \$300 per hour or on an agreed upon fixed fee. The hourly rate chosen by Fiduciary Advisors is based on the complexity of the investment portfolio and financial situation. The fee is due upon presentation of the statement to the client after the services are completed or as agreed upon in the agreement.

### **Selection of Investment Vehicles and Monitoring of Client Accounts**

If a client already has an IPS (or, in the case of an individual, a financial plan) which is consistent with Fiduciary Advisors' investment philosophy, selection and monitoring services will be provided for an asset-based fee ranging from 0.5% to 1.0% of a client's managed assets, billed quarterly in arrears based on the market value of each client account as of the last day of the quarter. Fees may be negotiated or waived in certain circumstances. An exact fee will be determined with each client based on the nature and complexity of the client's circumstances.

### **Other Consulting Services**

Fiduciary Advisors also provides other advice to pension, qualified and non-qualified retirement plans. As part of its consulting services, our firm provides advice on non-securities matters, including ERISA issues concerning plan design and compliance, insurance and/or annuity advice. Fiduciary Advisors assists the client in analyzing and evaluating variable and traditional life insurance policies held in the plan in terms of how they affect the plan's stated financial goals. Fiduciary Advisors also offers to provide this advice to individuals to assist in the client's financial and estate planning.

Fiduciary Advisors may assist clients in the selection of other advisers.

For government entity clients, Fiduciary Advisors serves as an investment fiduciary as described in state statutes. Services in this area include general pension consulting, investment consulting and advice, and board member education.

### **Consulting Fees**

Consulting fees are assessed on an hourly basis, ranging from \$100 to \$300 per hour, or a fixed-fee project basis depending on the nature and complexity of the client's circumstances. The fee is due upon presentation of the statement to the client after the services are completed or as agreed upon in the agreement.

### **General Information on Fees**

In certain circumstances, all fees and account minimums may be negotiable.

A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Fiduciary Advisors' fees do not include brokerage commissions or securities transaction fees charged by Client's custodian and/or broker-dealer.

Clients typically grant Fiduciary Advisors authority to deduct fees directly from client's account. Fiduciary Advisors will send client a quarterly statement reflecting the fees billed and the custodian will send clients statements at least quarterly reflecting all fees deducted from the account. Client is responsible for verifying the accuracy of the fee calculation, as Client's custodian will not determine whether or not the fee was properly calculated.

For company sponsored retirement plans, Fiduciary Advisors is authorized to invoice the

record keeper or third party administrator directly for our fees. The sponsor is responsible for verifying the accuracy of the fee calculation. All investment management fees are deducted from plan assets, unless otherwise requested by the sponsor. Clients will retain ownership of all funds and securities in their accounts. Clients will receive regular reports from their custodian and/or broker-dealer that include confirmation of all securities transactions in their account during that quarter.

Except as noted below, all fees paid to Fiduciary Advisors for investment advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares by the mutual funds or ETFs. A complete explanation of expenses charged by mutual funds is contained in each fund's prospectus. In addition to mutual fund fees, Clients may also incur broker-dealer and custodian fees such as transaction fees, commissions, account fees, disbursement fees, wire transfer fees, etc.

In certain circumstances, Fiduciary Advisors may recommend the use of independent money managers to manage part of a client's assets. Fiduciary Advisors receives no compensation of any sort from the money managers for this recommendation. However, Fiduciary Advisors will include assets managed by recommended managers in calculating the client's fee. This fee will be in addition to any fees charged by the recommended investment manager(s). Fiduciary Advisors will monitor and report to clients on assets managed by recommended money managers.

## **6. Performance-Based Fees**

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

## **7. Types of Clients**

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Fiduciary Advisors provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable organizations, foundations, and government entities.

Our firm provides financial planning services to individuals. We do not require minimum income levels, minimum level of assets, or other conditions for our financial planning services. We generally recommend an account size of \$250,000 for our ongoing portfolio management services, and we will inform you in advance of any account minimums or other restrictions of any third-party financial institutions.



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

Fiduciary Advisors employs a strategic asset allocation approach to portfolio management that is based on the principles of Modern Portfolio Theory and other evidence-based research. Client assets are allocated among various asset classes in an attempt to capture the potential returns associated with groups of securities (asset classes) having certain characteristics. Account asset allocation is based on the client's risk tolerance, return objectives, investment time horizon, income requirements and other factors. Investments are generally made into investment options that are considered to provide diversification and risk/return characteristics similar to a particular asset class or market. Fiduciary Advisors will implement the asset allocation using mutual funds, exchange traded funds and in certain circumstances, individual bonds and certificates of deposits (CD's) for a portion of the client's fixed income portfolio.

Stock market risk is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Country/regional risk is the chance that world events- such as political upheaval, financial troubles, or natural disasters- will adversely affect the value of companies in any one country or region.

Currency risk is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates.

Interest rate risk is the chance that bond prices overall will decline because of rising interest rates.

Income risk is the chance that the portfolio's income will decline because of falling interest rates.

Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.

Call risk is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The bond would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the portfolio's income. For mortgage-backed securities, this risk is known as prepayment risk.

Asset allocation risk is the chance that the selection of investment options, and the allocation of assets to them, will cause the portfolio to underperform other portfolios with

a similar investment objective. There is no guarantee of your portfolio's performance or that your portfolio will meet its objectives. The market value of your investments may decline and you may suffer investment loss. Fiduciary Advisors' investment strategies may fail to produce the intended results.

*Investment company securities risk* is related to purchases of mutual funds, exchange traded funds, and money market funds. You will indirectly bear any fees and expenses charged by the underlying fund in addition to Fiduciary Advisors' direct fees and expenses. In addition, you may be affected by losses of the underlying funds and the level of risk arising from the investment practices of the underlying funds. An ETF's shares may trade at a market price above or below their net asset value, and an active trading market for an ETF's shares may not develop or be maintained.

Other than specified bank certificate of deposit (CD) purchases, investments are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

*General Risk:* Investing in securities involves risk of loss that clients should be prepared to bear. Fiduciary Advisors does not represent or guarantee that we can predict future results, successfully identify market tops or bottoms, or insulate client portfolios and investments from losses. The prices of, and the income generated by, equities and other securities held in your portfolio might decline in response to certain events taking place around the world, including those directly involving the issuers whose securities clients own. Conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations are all risk factors that can affect the valuation of your investments.

## **9. Disciplinary Information**

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As Advisors we are required to disclose any material legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

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Neither Fiduciary Advisors nor any of our employees is affiliated with or has an application pending with a broker-dealer, municipal securities dealer, pooled commodity investor, other investment adviser, financial planner, banking institution, insurance company, accounting firm, etc. Fiduciary Advisors may recommend other investment advisers for our clients, however, as noted in Item 5 above, we do not receive compensation from the third-party investment adviser for this referral.

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

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Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

In summary, our Code of Ethics requires:

- (1) compliance with federal securities laws,
- (2) interest of clients are placed first,
- (3) all personal securities transactions are to be conducted in such a manner as to be consistent with the Code of Ethics and to avoid any actual or potential conflict of interest or any abuse of any employees' position of trust and responsibility,
- (4) employees are not to take inappropriate advantage of their positions,
- (5) prevents trading on material nonpublic information,
- (6) all information concerning the identity of security holdings and financial circumstances of clients are kept confidential, and
- (7) independence is to be maintained in the investment decision-making process.

Our firm and our personnel owe a duty of loyalty, fairness, and good faith toward our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

From time to time, a client account may purchase a reportable security in which a related person of Fiduciary Advisors may have an ownership position or a related person may purchase a reportable security that is contained in a client account. We maintain policies which are designed to prevent a conflict of interest from occurring in these transactions. Related persons of Fiduciary Advisors are prohibited from executing a reportable securities transaction on a day during which any client has a pending "buy" or "sell" order in the same (or a related) security until that order is executed or withdrawn.

We have adopted certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, director or employees of the firm. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by e-mail sent to [tgrizzle@fiduciaryadv.com](mailto:tgrizzle@fiduciaryadv.com) or by calling 314.726.5110.

## **12. Brokerage Practices**

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### **Participant Directed Retirement Plan Services**

The choice of a broker-dealer or custodian of participant directed retirement plans is driven by the selection of the plan record keeper. It is important that the plan record keeper have electronic trading and settlement capabilities with the designated custodian (broker).

### **Portfolio Management Services**

Fiduciary Advisors may recommend that clients establish brokerage accounts with Charles Schwab & Co. or Fidelity Investment Institutional Brokerage Group, as well as other broker-dealers provided that such recommendation is consistent with our firm's fiduciary duty to our client.

Charles Schwab & Co. and Fidelity Investment Institutional Brokerage Group have platform services that assist Fiduciary Advisors in managing and administering clients' accounts. These services 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 fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. These services benefit Fiduciary Advisors as, when we receive these research and other services from broker-dealers, we do not have to pay for them. Due to receipt of these platform services, Fiduciary Advisors has an incentive to recommend Charles Schwab or Fidelity to our clients rather than on clients' receiving the most favorable execution. Fiduciary Advisors does not receive referrals from broker-dealers.

However, clients who wish to implement Fiduciary Advisors' advice are free to select any securities broker they wish, and are so informed. Clients typically direct our firm to use a particular broker-dealer for all transactions. In directing the use of a particular broker-dealer, the client should recognize that our firm will not have the authority to negotiate commissions (if any) or obtain volume discounts (if any), and that best execution may not be achieved. In addition, under these circumstances a disparity in commission charges (if any) may exist between the commissions charged to other clients and ultimately cost a client more money.

### **Trade Aggregation**

While it is not the policy of Fiduciary Advisors to aggregate trades, if two or more clients have trades in the same security on the same day and it is in the clients' best interests, Fiduciary Advisors may aggregate said trades.

## **13. Review of Accounts**

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All client accounts are reviewed at least quarterly by an Investment Consultant or Financial Planner. More frequent reviews may be triggered by material market, economic or political events, or by changes in a client's individual circumstances. Financial planning clients are not subject to review of financial plans after completion of the plan unless clients sign a new agreement for the review of the plan.

Fiduciary Advisors typically prepares its pension plan consulting clients a quarterly written report that details the plan's portfolio by asset class category, ranking by category, category risk and return, and provides actual returns for the period as measured against an appropriate benchmark. This report is in addition to reports provided by the client's broker-dealer and/or custodian.

## **14. Client Referrals and Other Compensation**

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### **Incoming Referrals**

From time to time Fiduciary Advisors enters into written agreements with third parties who provide marketing services to our firm and solicit potential advisory clients to us. Generally, those agreements provide for payment of a percentage of the investment management fees Fiduciary Advisors collects from clients who become clients of our firm as a result of the solicitor's efforts. Payments to a solicitor generally continue for as long as our firm provides advisory services to clients referred by the solicitor. Solicitor's agreements generally are for an unspecified duration and are terminable upon thirty (30) days' notice. These agreements will comply with Rule 206(4)-3 under the Investment Advisers Act of 1940 and with other applicable requirements of the Act. Our clients are not responsible for any part of the compensation that such solicitors receive, and we do not charge clients introduced by such solicitors any higher fee or any additional amount as a result of our obligation to pay for solicitation services.

### **Referrals to Other Professionals**

Fiduciary Advisors does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **15. Custody**

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Fiduciary Advisors has limited custody of some of our client's funds or securities when the clients authorize us to deduct our management fees directly from the client's account.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account invoices directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these invoices to ensure that all account transactions, holdings and values are correct and current.

Fiduciary Advisors is also deemed to have custody of client's funds or securities when clients have standing authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

Our firm does not have actual or constructive custody of client accounts. All client account assets will be held by an unrelated third party custodian.

## **16. Investment Discretion**

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Fiduciary Advisors provides both discretionary and non-discretionary investment advisory services to clients. Where investment discretion has been granted, Fiduciary Advisors, Inc. manages the client's account and makes investment decisions without consultation with the client as to the securities that are bought and sold for the account, the total amount of the securities to be bought and sold, the brokers with whom orders for the purchase or sale of securities are placed for execution and the price per share and the commission rates at which securities transactions are effected. In some instances, Fiduciary Advisors, Inc.'s discretionary authority in making these determinations may be limited by conditions imposed by clients in their investment guidelines or objectives or instructions otherwise provided to Fiduciary Advisors.

Fiduciary Advisors' authority may be limited by agreement with the client.









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No principal or employee of Fiduciary Advisors, Inc. has ever been a subject of any disciplinary event or proceeding including the last ten years.

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Our investment professionals do not engage in substantial other business activities.

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Our investment professionals do not engage in other activities that render substantial additional compensation.