

# Brochure

## Monroe Vos Consulting, Inc.

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<http://www.monroevos.com>

March 29, 2021

This Brochure provides information about the qualifications and business practices of Monroe Vos Consulting, Inc. (“Monroe Vos”, “Firm”, “our”, “us” or “we”]. When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. If you have any questions about the contents of this Brochure, please contact us at 713-227-0100. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or (“SEC”) by any state securities authority.

Monroe Vos is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Monroe Vos, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Monroe Vos as your adviser.

Additional information about Monroe Vos is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated or registered with, and or required to be registered as investment adviser representatives of Monroe Vos.

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## **Item 2 - Material Changes**

Please note that there were no material changes made to this Brochure since our last delivery or posting of the Brochure on the SEC's public disclosure website ("IAPD") [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov); however there were a number of minor edits and the assets under management were updated.:

Currently, our Brochure may be requested by contacting Julie Swanson, President, COO and Chief Compliance Officer at 713-227-0100, free of charge.

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## **Item 4 - Advisory Business**

### ***Ownership***

The principal owners of Monroe Vos Consulting, Inc. (“Monroe Vos”, “Firm”, “our”, “us” and or “we”) are Jamison Monroe (“Jamison Monroe” or “Mr. Monroe”) is Chairman of Monroe Vos. and Timothy J. Vos (“Timothy J. Vos” or “Mr. Vos”).

### ***Investment Products***

We offer advice on the following as well as the foreign equivalents of the following investment products:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment Company Securities (mutual fund shares)
- United States government securities
- Interests in partnerships investing in real estate and others

### ***Advisory Services***

Monroe Vos offers the following advisory services:

- Portfolio management services for individuals and/or small businesses
- Portfolio management for businesses or institutional clients (other than investment companies)
- Pension consulting services
- Investment consulting regarding limited partnerships

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

As of December 31, 2020, Monroe Vos had approximately \$6,541,478,998 in client portfolio assets under management, all of which were managed on a non-discretionary basis.

### ***Overview of Services Offered***

Monroe Vos has been in business since 1994. We provide investment advisory services as professional consultants to fiduciaries and high-net-worth individuals. We assist clients to develop goals that are designed to accomplish the client’s needs and increase the probability of achieving the stated goals by developing effective solutions to the client’s investment and administrative problems. The processes we utilize to develop the financial solutions for our clients include a mixture of the following:

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### ***Investment Policy Development***

We review, update or draft comprehensive Investment Policy Statements for our clients that communicate the plan history, policies, guidelines, objectives, structure, actuarial expectations and administrative procedures to name some highlights. We take our clients through an organized process to develop this statement which includes asset allocation and optimization.

### ***Spending Policy Study***

We coordinate with you to determine your budget and assist in developing a spending policy. We use simulation techniques to project the future financial condition of the endowment including the dollar results that occur over various investment and inflation scenarios. We can do this for any time frame.

### ***Asset Allocation Study***

We provide asset allocation modeling techniques to analyze the potential future condition of the portfolio by assisting in understanding the nature of the alternative combinations of asset classes.

### ***Asset Allocation Strategies***

We develop Risk-Based Asset Allocation Strategies utilizing the core fund line-up to provide employees with a choice of well diversified portfolios based upon their risk tolerance.

### ***Risk-Based Retirement Date Allocation Strategies***

We develop Risk-Based Retirement Date Strategies utilizing the core fund line-up to provide employees with a choice of well diversified portfolios based upon their risk tolerance and retirement date.

### ***Social Criteria***

We evaluate an investment manager's ability to implement socially responsible criteria to their investment process ensuring the client maintains adherence to the values and mission of their cause.

### ***Dynamic Asset Allocation***

We provide both strategic and tactical asset allocation modeling techniques to analyze the potential future condition of the portfolio by assisting in understanding the nature of the alternative combinations of asset classes.

### ***Asset Optimization***

We analyze potential asset mixes that have a high probability of achieving the plan's objectives.

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### ***Manager Search/Due Diligence***

We take you through an objective and logical quantitative and qualitative screening process to select the appropriate managers that have the highest probability of achieving the plan's objectives in accordance with the plan's policies and guidelines. These would include domestic, international, hedge fund and alternative asset managers. The managers that work for our clients are evaluated at their location by Monroe Vos. We use proven methods to assure that the managers are reporting accurate numbers, that there have been no key personnel changes and that they are applying their investment style consistently. We conduct face-to-face interviews with all key personnel.

### ***Performance and Risk Measurement***

We provide a comprehensive report as an independent review of performance results completed from the master trustee statements. We provide results relative to the plan's objectives; appropriate market indices; various appropriate databases; and manager peer groups and relative to the risk taken.

### ***Transition Management***

We reduce overall trading costs when a change in money managers necessitates portfolio restructuring. Our goal is to keep commission costs low and reduce market impact costs. We also implement the same program when we are replacing another consultant.

### ***Investment Policy Statement (IPS) Comparison***

As part of our quarterly report, we include a comprehensive comparison between the policies, guidelines and objectives in the IPS to the actual actions and returns of the managers. We make sure that the plan is progressing according to the IPS.

### ***Custodian Search Process***

We conduct trustee/custodian searches by developing quantitative and qualitative criteria to screen candidates to make sure that they meet our clients' needs in terms of services provided and cost. We employ a proprietary database of the largest providers. These consist of the large national and regional providers. Each provider is evaluated in ten (10) categories consisting of a total of 114 evaluation points. Additional providers can be added at our clients' request. We update this database regularly.

### ***Actuarial Search***

We conduct actuarial searches by developing quantitative and qualitative criteria to screen candidates to make sure that they meet our clients' needs in terms of services provided and cost.

### ***Fee Analysis***

We determine the all-in costs to our clients from all of their service providers as a percentage of assets on a quarterly basis to ensure the fees are competitive.

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### ***Style Analysis***

We provide a detailed performance analysis for each investment manager compared to a universe of its peers having a similar investment style and characteristics. This process also involves identifying the style of a manager and sensitivity to any style drift by means of a style analyzer.

### ***Plan Administrator Search***

We conduct plan administrator searches by developing quantitative and qualitative criteria to screen candidates to make sure that they meet the clients' needs. We use a database as our universe for plan administrators. We utilize a proprietary database of the largest providers. Each provider is evaluated in ten (10) categories and 110 evaluation points. Additional providers can be added at our clients' request. We update this database regularly.

### ***401(k) / 403(b) Asset Allocation Strategy Structure***

We develop Asset Allocation Strategies utilizing the core fund line-up to provide employees with a choice of well diversified portfolios based upon their risk tolerance.

### ***401(k) / 403(b) Transition Management***

We share our experience with our clients in managing the process of converting their plan to a newly selected plan administrator. Through our organized methods, we deal proactively with conversion issues to avoid any negative impacts on the conversion timetable.

### ***Participant Education***

We conduct education and enrollment meetings at our client's facilities. These meetings are conducted with state-of-the-art presentation materials and methods. We provide easy to understand generic investment education and retirement planning basics to help participants determine the best asset allocation for them individually to achieve their retirement objectives.

### ***International Consulting Services***

Our database analyzes various styles of international management. We work with our clients to select the appropriate equity or fixed income style for them. This includes global or regional specialties. We apply the same search process we employ for domestic managers by developing quantitative and qualitative criteria that managers must meet to be considered. With regard to passive funds, we will assist our clients in analyzing overlay programs. Our performance and risk measurement for international management is as comprehensive as our domestic analysis. It also includes full attribution analysis.

### ***Hedge Fund Search/Analysis***

We develop quantitative and qualitative criteria that managers must meet to be considered and then search the Morningstar Direct database for qualified candidates. On-site due diligence is conducted on finalists.

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### ***Alternative Asset Search/Analysis***

We develop quantitative and qualitative criteria before implementing a search and we apply the same search process we employ for traditional managers by developing quantitative and qualitative criteria that managers must meet to be considered for qualified candidates. On-site due diligence is conducted on finalists.

### ***Fiduciary Compliance***

We educate our clients on their Fiduciary roles. Tim Vos, CIMA<sup>®</sup>, Accredited Investment Fiduciary Auditor<sup>™</sup> (or AIFA<sup>®</sup>), a professional designation awarded by the Center for Fiduciary Studies, which is associated with the University of Pittsburgh, informs committees of Prudent Investment Practices so they can make informed and consistent decisions.

### ***Client Education***

We believe that an educated and knowledgeable client is the best client. We consistently share our knowledge and insights with you through the quarterly Review and Outlook, white papers and at our quarterly meetings.

### ***Trust Accounting Software Analysis***

We conduct an analysis of the Trust Accounting Software utilized by our clients. We are able to provide a comparison of modules, installation and training, user licenses, and overall costs for a side-by-side comparison.

### ***Custom Projects***

We do special projects when it is requested by our clients or warranted to analyze a situation in the plan. We are equipped to conduct these projects which have resulted in some of our proprietary graphics that we have incorporated in our regular client reporting.

### ***ERISA Clients***

Monroe Vos provides all prospective clients subject to Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA) with a Section 408(b)(2) Fee and Services Disclosure. Additionally, the Investment Management Consulting Agreement executed between any ERISA plan and Monroe Vos includes both a description of services that Monroe Vos will provide each ERISA plan, and whether such services are provided by Monroe Vos as a fiduciary or a non-fiduciary.

### ***Education***

All personnel of Monroe Vos are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field,

such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See ADV Form Part 2B for additional information.

## Item 5 - Fees and Compensation

### *Overview of Fees*

Monroe Vos offers its services on a menu basis. Many of the fees for our services are negotiable and discussed in detail during the presentations of Monroe Vos' services to a potential client. The ultimate fee negotiated is based upon a number of factors, including the size of the portfolio, the services provided and the investment mixture of portfolio assets. Some common fees are included on our fee schedule for your review and described further below:

<b>Fee Schedule</b>		
<b>Fee Type</b>	<b>Fee Cost</b>	<b>When Charged</b>
Advisory Services – Institutional Client – Asset Based Fee	Computed as a percentage of the gross assets under management in the account for the previous quarter. Depending on assets under management and services provided, the fee can range from .03% to .75%, and the majority of accounts have a minimum annual charge, which ranges from \$25,000 to \$80,000.	Quarterly, in advance
Advisory Services – High-Net-Worth Individual – Asset Based Fee	Computed as a percentage of the gross assets under management in the account for the previous quarter. Management fee is generally 1%, but a nominal number of accounts are billed less.	Quarterly, in advance
Advisory Services – Institutional and High-Net-Worth Clients – Retainer Fee	Negotiated based on portfolio size and service utilized.	Quarterly, in advance
Employee Education Services	\$2,000.00 Per Day, plus expenses	As provided

Please note that you will be assessed either an asset-based fee or a retainer fee on your assets under management. The services provided for each client, and their respective asset based fees or retainer fees, are detailed in the Investment Management Consulting Agreement which is

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ultimately executed by the client. Additionally, asset based management fees are not prorated for each capital contribution and withdrawal made during the applicable calendar quarter.

Advisory fees are payable quarterly, in advance. Retainer clients pay an amount equal to the annual retainer fee, divided by four (4). Fee based clients pay an amount that is computed as a percentage of the closing market value of the assets under management in the Account for the previous quarter. Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee based upon the number of calendar days in the calendar quarter that the Agreement goes into effect. Clients generally authorize us to directly debit our advisory fees from their accounts, in which case fees may be deducted from client's account(s) quarterly within thirty (30) days following the end of the quarter for which said fees are incurred.

### ***Type of Compensation***

Monroe Vos is compensated for investment services by:

- A percentage of assets under management
- Fixed fees (other than subscription fees)
- Commissions
- A percentage of assets not under our management

### ***Valuation***

The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded, if traded on a market for which transaction prices are publicly reported. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by other equitable means consistent with the fiduciary duty of the money manager to determine a fair market value. With respect to Alternative Investments, Monroe Vos relies on the most recent valuations provided by the issuers of alternative investments. To the extent such valuation is older than 90 days, Monroe Vos will make a notation of that on both invoices issued to clients for advisory services and any performance reports, if any. At least annually, Monroe Vos shall review the actual valuations for the respective period and true up any variations that resulted in an overbilling of the advisory fees.

### ***Client Allowance Program***

If our clients select mutual funds for investment in its assets and these funds pay finder's fees and 12b-1 fees, then the client chooses MV Securities Group, Inc. ("MV"), an affiliate of Monroe Vos, to be broker/dealer of record for purposes of collecting these fees from the mutual funds. *See "Item 10 - Other Financial Industry Activities and Affiliations, Item 12 - Brokerage Practice, Item 14 - Client Referral Arrangements and Other Compensation - Additional Compensation - Mutual*

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*Funds and Item 15 – Custody; Client Allowance Program” for a description of the program and related conflicts of interest.*

Generally, under the client allowance program, for each \$1.00 of finder’s fees and 12b-1 fees paid to MV during any quarter, Monroe Vos will allocate a Client Allowance in the amount of 80%, for example, of such fees collected during the quarter minus the quarterly Monroe Vos fee (the “Client Allowance”). To the extent that there are monies left, Monroe Vos generally pays to the client any monies left on a quarterly basis within 30 days of the end of the respective calendar quarter. Client Allowance funds will be maintained at Frost Bank (P.O. Box 1600, San Antonio, Texas 78296-1600) by Monroe Vos, as Trustee, for the benefit of all clients electing to receive the Client Allowance. You are advised that you may be able to obtain a better recapture ratio from another consultant and that your decision to use the client allowance program to pay our advisory services may be a decision to use the plan resources to pay this fee, rather than plan sponsor funds. Notwithstanding the above, the Client Allowance is a contractual obligation of Monroe Vos as set forth only in the Consulting Agreement between Monroe Vos and its clients, and clients will look solely to Monroe Vos for the funding of the Client Allowance and the application of such Client Allowance to Monroe Vos advisory fees and or refund of any excess Client Allowance funds to the client as set forth in the Consulting Agreement. Client acknowledges in the Consulting Agreement that (i) the client does not have any property interest, whether through contract or under equitable principles, in the SEC Rule 12b-1 fees collected by MV; and (ii) Monroe Vos also does not have any contractual property interest in MV’s SEC Rule 12b-1 fees and has no right to demand payment of such fees to Monroe Vos by MV Securities. The Client Allowance is negotiable, and in certain cases, can be up to 100% finders’ fees and 12b-1 fees paid to MV during any quarter.

### ***Execution and Settlement Charges***

Should you elect to custody your assets at National Financial Services (“NFS”), a Fidelity Company, through MV, normal course transactions will generally be charged a negotiated trade execution and settlement charge of up to \$50.00 per trade for equity and up to \$50.00 for fixed income trades for all sizes (referred to herein as “Execution and Settlement Charges”). (See Client Referrals and Other Compensation) MV is a correspondent of and clears, on a fully disclosed basis, through NFS. See “*Item 10 - Other Financial Industry Activities and Affiliations and Item 15 – Custody*”.

### ***Transaction Costs***

Other than the Execution and Settlement Charge, our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Notwithstanding the above, extraordinary third-party service charges, handling and exchange fees, contingent deferred sales charges and execution and clearance surcharges can also be charged. Mutual funds and exchange traded funds also charge internal management fees, which are

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disclosed in a fund's prospectus. See "*Item 12 - Brokerage Practices and Item 14 - Client Referrals and Other Compensation*" for a description of additional compensation received by Monroe Vos and for a description of factors that we consider when selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

### ***Termination***

The relationship between parties may be terminated by either party upon 30 days' written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment adviser, then the client has the right to terminate the relationship, without penalty, within five (5) business days after entering into the agreement. If the relationship is terminated in the middle of a quarter and client has prepaid the quarterly fee, Monroe Vos will reimburse client a percentage of the prepaid fee that equals that part of the quarter that remains after the 30-day notice is satisfied, on a pro rata basis.

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

We do not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), and we do not engage in side-by-side management.

## **Item 7 - Types of Clients**

Monroe Vos offers portfolio management advice to the following types of clients:

- High-net-worth individuals
- Pension and profit-sharing plans (other than participants)
- Corporations or other businesses not listed above
- Foundations and Endowments

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

### ***Sources of Information***

The main sources of information that Monroe Vos uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Inspections of corporate activities
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the SEC
- Company press releases

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Other sources of information that we generally use include:

- Morningstar Office
- Morningstar Direct
- Informa Investment Solutions / PSN Enterprise

### ***Methods of Analysis***

#### ***Asset Allocation***

Monroe Vos utilizes an asset allocation methodology based on modern portfolio theory. The inputs are based on historic, current and projected data collected from various sources. Based on these inputs an efficient frontier is created that serves as a guide for the asset allocation discussion. The efficient frontier is a line on a risk/reward chart that represents the optimal combination of assets for a given level of risk. It is the basis of modern portfolio theory. We focus the discussion on the amount of risk a client is willing to tolerate. Clients and investment committees all complete a risk tolerance questionnaire that is designed to help gauge their views about risk. Combining the client risk tolerance with the efficient frontier analysis, expected future returns, and the probability of meeting those returns allows us to help guide the client to a diversified portfolio recommendation that is within their risk tolerance parameters. This process is designed to help the client choose their long-term strategic asset allocation.

At times, Monroe Vos will also employ dynamic asset allocation. Dynamic asset allocation represents a deviation from the long-term strategic asset allocation target. We will recommend deviating from the long-term strategic target in order to protect client assets or to potentially increase returns.

#### ***Manager Selection***

We do not typically recommend individual equity or fixed income securities to clients. We recommend the usage of 3rd party investment managers who select securities based on their investment philosophy and process. Our investment committee consists of all consultants and analysts and meets at a minimum of twice per quarter to review all investment managers. This committee is charged with the responsibility of evaluating, selecting and monitoring the investment managers recommended to our clients.

Monroe Vos utilizes various databases to obtain information and aid in the research process. When evaluating an investment manager, Monroe Vos utilizes a variety of both qualitative and quantitative criteria including the manager's past performance and risk characteristics including metrics such as alpha, beta, information ratio, Sharpe ratio, upside/downside capture ratios, R-squared, standard deviation and fees.

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The vast majority of investment managers employed by our clients utilize fundamental analysis to select securities. Fundamental analysis maintains that markets can misprice a security in the short run, but that the “correct” price will eventually be reached by the market. The fundamental analysis of a business involves analyzing company financial statements and health, management and competitive advantages, and competitors and markets. Qualitative criteria include a consistent philosophy and process, continuity of the portfolio management team, an understandable, repeatable process, and no history of any legal or regulatory violations.

Monroe Vos generally meets with investment managers at least annually, both in our offices as well as “on-site” at their offices. We will recommend a manager to a client based on the client’s objective for the allocation and will use a completely transparent process to narrow the group of potential candidates down to a smaller group of recommended managers based on the qualitative and quantitative data described above. We will then present a manager search report to the client and the client can then choose to interview the finalists. Upon selection, we will work with the client and the manager to negotiate fees and ensure a smooth transition.

### ***Investment Strategies***

Monroe Vos typically employs actively managed portfolios utilizing the investment strategies listed below. Some clients also use passively managed strategies to get exposure to certain asset classes.

Domestic Equity – Large Cap Growth, Large Cap Value, Mid Cap Growth, Mid Cap Value, Small Cap Growth, Small Cap Value, All Cap

Foreign Equity – Foreign Large Cap, Diversified Emerging Markets, Global Equity

Fixed Income – Domestic and International Fixed Income (Ultra Short, Short, Intermediate, and Long Duration), Municipal Bonds, Emerging Market Debt, Money Market

Other – Convertible Bonds, Master Limited Partnerships, Real Estate, REITs, Commodities, Energy and Natural Resource Equities, Hedge Funds, Private Equity

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

The asset allocation advice and recommendations provided by Monroe Vos have been developed based on historical performance of the standard asset classes (stocks, bonds, cash, etc.) as well as concepts of modern portfolio theory. The projected information generated is hypothetical and does not reflect actual investment results and does not guarantee future results.

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Investing in securities involves risk of loss that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Investors face many risks. The following are primary investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of any security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions can trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will be worth less than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and/or a declining market value.

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Thus, risk can have many definitions - risk of loss, purchasing power, volatility, liquidity, etc. When developing recommendations, we try to make sure that a client is comfortable with the risks associated with the suggested asset allocation.

We believe there is a material risk to loss of principal by investing in securities that clients must be prepared to bear. Care must be exercised in selecting investments. We strive to recommend investment options that represent the least risk commensurate with the desired return. Our process strives to eliminate any recommendations or advice that bears significant or unusual risk than could be expected within a given asset class. However, as is often noted, past performance is no guarantee of future results.

## **Item 9 - Disciplinary Information**

There are no material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

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

### ***Affiliated Broker-Dealer***

MV Securities Group, Inc. (“MV”) is registered as a broker-dealer with the SEC and various state jurisdictions and is a member firm of the Financial Industry Regulatory Authority (“FINRA”). MV is wholly owned by Monroe Vos.

Clients have the option to designate the broker-dealer utilized, including the utilization of MV as the broker-dealer for the execution of securities transactions by the client’s money managers. Monroe Vos utilizes the brokerage services of MV to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by MV. Compensation will be received by MV as a broker-dealer when portfolio transactions are effected on behalf of investment advisory clients. See “*Item 14 – Client Referral Arrangements and Other Compensation*”.

### ***Management***

Jamison Monroe is Chairman of Monroe Vos. The principal activity of Mr. Monroe is managing the investment advisory activities. Julie L. Swanson (“Ms. Swanson”) is President and Chief Compliance Officer of Monroe Vos, and the principal business activity of Ms. Swanson is supervising the investment advisory activities of the Firm. Such activities are estimated to utilize approximately seventy-five (75%) percent of Ms. Swanson’s time. However, she is also the FINOP, Secretary and Executive Vice President of MV. Such activities are estimated to utilize approximately twenty-five (25%) percent of Ms. Swanson’s time.

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***Related Partnership***

Related persons of Monroe Vos have a financial interest in certain limited liability companies that Monroe Vos recommended to advisory clients. While the related persons will not receive any direct compensation for these recommendations, they participate in management and or profits of the respective investment entities.

***Other Activities***

Monroe Vos and certain of its principal executive officers engage in the following activities:

- Recommends to clients that they buy or sell securities or investment products in which we or a related person has some financial interest.
- Buying or selling securities for itself that it also recommends to clients.

**Item 11 - Code of Ethics*****General***

Monroe Vos has adopted a Code of Ethics to ensure that securities transactions by Monroe Vos employees are consistent with the Monroe Vos fiduciary duty to its clients and to ensure compliance with legal requirements and the Monroe Vos standards of business conduct. The Code of Ethics requires prior approval for all personal securities transactions executed through MV. Prior approval is not required where personal securities transactions are executed at another broker-dealer. Monroe Vos also requires quarterly reporting of all personal securities transactions, regardless of where they are executed. A written copy of the Monroe Vos Code of Ethics is available upon request.

***Personal Trading***

Monroe Vos and our related persons can purchase and sell securities for their own account. To prevent conflicts of interest, all employees of Monroe Vos must comply with our Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

The Code of Ethics requires that all trades made by employees or related persons of Monroe Vos, who make recommendations or participate in the determination of which recommendation shall be made, will require the review of the compliance officer of the Firm. Notwithstanding the above, Monroe Vos, and/or our officers, directors or employees purchase for themselves similar or different securities as are purchased or recommended for our investment advisory clients and that different securities or transactions are affected or recommended for different investment advisory clients of Monroe Vos.

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With respect to alternative investments, employees of Monroe Vos may invest with its advisory clients; provided however, to assure that any conflicts of interest are addressed, pre-approval is required. To the extent it is determined by the Chief Compliance Officer and senior management that the conflict of interests between the client and us cannot be mitigated through disclosure or other means, approval to invest alongside our advisory clients will be denied.

We also maintain quarterly reports on all personal securities transactions.

### ***Insider Information***

Further, the Code of Ethics and Supervisory Procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of Monroe Vos.

## **Item 12 - Brokerage Practices**

### ***General***

Monroe Vos offers the brokerage services of MV to its clients. Notwithstanding that fact, clients are not required to direct their money manager to execute transactions through MV. Furthermore, the client's money managers have discretion to use MV or any other broker dealer depending on where the manager gets best execution.

Based upon the similarity of investments among client accounts having similar investment objectives and the fact that Monroe Vos consults with more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of MV is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities in the account.

### ***Client Directed Brokerage***

You have the option to designate NFS, through MV, as the broker-dealer for the custody, execution and settlement of securities transactions by the client's money managers. The money manager will decide whether or not to make trades through MV based on their assessment as to whether MV offers best execution, including the \$50.00 Execution and Settlement Charge for normal course execution for equity and fixed income trades. Best execution takes into account the security price per share plus the commission/trade charge (which may be deemed a commission equivalent). In most cases the Execution and Settlement Charge is competitive

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compared to other securities firms where the money manager could make the trade. If the money managers can find a better combination of price and commission elsewhere, he is encouraged to make the trade elsewhere.

Clients can pay commissions higher than those obtainable from other brokers due to these services if the money manager, not MV, determines that the higher price is justified by the quality of service but no higher than Execution and Settlement Charge. The services provided by MV and NFS are provided only to clients that utilize the service. Monroe Vos is not a discretionary money manager and, therefore, does not have the ability to direct trades to MV. The clients, at their discretion, can ask their money manager to consider MV for transactions, if MV offers best execution. The money managers have the discretion from their clients to evaluate MV's services on a trade-by-trade basis.

### ***Client Accounts***

Based upon the similarity of investments among client accounts having similar investment objectives and the fact that Monroe Vos consults with more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of MV is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's account. Each client may withdraw, hypothecate, vote or pledge securities in their account upon written notice to Monroe Vos and each client has the authority to instruct Monroe Vos from directing the purchase of certain securities through Monroe Vos that might otherwise be purchased in the client's account. To assure the account's investments are in keeping with the customer's investment objectives, the client's circumstances are monitored through periodic interviews.

### ***Trade Aggregation***

We do not typically recommend individual equity or fixed income securities to clients. The portfolio securities that Monroe Vos utilizes with respect to its high net worth advisory clients are generally mutual funds, municipal bonds and alternative investments. As such, Monroe Vos does not generally provide recommendations in equities, options, ETFs, IPOs or other like securities. Notwithstanding that, to the extent it does recommend the purchase of equity or other like

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securities for multiple clients and or recommend the liquidations of those securities recommend, it follows the general allocation policies and procedures set forth below.

### ***Client Deposited Securities***

Most equity positions held in, and or liquidated from client accounts, are not investments that Monroe Vos recommended, but rather securities either transferred in as a result of client onboarding and or deposited by the respective client into a client account. As a result, these equity portfolio assets are managed on portfolio by portfolio basis, which will generally result in there not being an opportunity to bunch or aggregate in liquidation transactions of those equity or like securities as each portfolio as a result of the timing of receipt of the securities, review of the portfolio and obtaining client consent to the liquidations. As a result of not generally being able to aggregate these liquidation trades, client deposited securities generally will not receive the benefits of aggregating, including negotiating more favorable prices.

### ***Monroe Vos Recommended Securities***

Where equity or like securities are recommended for purchase into client accounts, and or where Monroe Vos subsequently recommends the liquidation of an equity or like security that it originally recommend to be purchased for the client account, and those recommendations were deemed to be in the best interest of more than one client account, the Company will attempt to aggregate or “batch” multiple orders for the purchase or sale of the same security into block transactions, subject to the overall obligation to achieve best price and execution for the client accounts. Such aggregated trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges.

With the above in mind, there is no obligation to include any client account in a bunched order unless the portfolio manager believes it is in the client account’s best interest. In making this determination, the portfolio manager may consider a number of factors, including, but not limited to the client account’s investment objectives and policies, investment guidelines, liquidity requirements, legal or regulatory restrictions, tax considerations, and the nature and size of the bunched order.

### ***Soft dollar Arrangements***

Monroe Vos does not engage in soft dollar arrangements, however, the Firm uses NFS as custodian a number of the clients of the Firm. NFS provides us and our clients utilizing them with access to its institutional brokerage - trading, custody, reporting and related services, many of which are not typically available to retail customers. NFS also provides us with various support services that help us manage or administer our clients’ accounts, while others help us manage our business. The support services provided to us by NFS are generally available on an unsolicited basis and at no charge to us.

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NFS also make available to us other products and services that benefit both our client accounts and the Firm . These products and services assist us in managing and administering our clients' accounts, including software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

NFS also offers other services intended to help us manage our business enterprise. These services include educational conferences and events and technology, compliance, legal, and business consulting.

As a fiduciary, we endeavor to act in our clients' best interests. While we recommend that certain clients maintain their assets in accounts at NFS, that recommendation is based in part on the benefit to us and our clients of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody and brokerage services provided by NFS, which creates a potential conflict of interest. We mitigate that conflict of interest through reviews of the custodial and executions services provided, and disclosures made in this Brochure and conversations with clients regarding NFS.

### ***Trade Errors***

Though Monroe Vos will correct trading errors as soon as they are discovered, it generally is not responsible for poor executions or trading errors committed by the unaffiliated brokers with which it transacts.

## **Item 13 - Review of Accounts**

### ***Account Review***

All clients generally receive a comprehensive quarterly review. Additionally, institutional clients (corporate, pension, profit sharing, 401(k), 403(b), endowments, foundations) receive a quarterly review including a performance and risk analysis and an investment policy statement comparison. High-net-worth individuals receive either a quarterly or semi-annual review including a performance and risk analysis and an investment policy statement comparison based upon our agreement with the client. Additionally, depending on the nature of the client's investments and portfolio activity, a review is performed on a monthly, weekly or even daily basis. One of the principal triggers for a prompt account review is any change in interest returns or any other major

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disruption in the financial markets; as well as any change in a client's stated objectives, lifestyle, cash flow, or any change affecting the client's money manager.

Monroe Vos has assigned all final analysis and review to Jamison Monroe, Chairman of the Board, and Timothy J. Vos, CIMA<sup>®</sup>, AIFA<sup>®</sup>, Vice Chairman. Mr. Monroe and Mr. Vos each share the overall responsibility of the Firm's clientele. Timothy A. R. Callahan, Executive Vice President; and Jason Martinez, CIMA<sup>®</sup>, Consultant; perform analysis and review. Their work is reviewed by Mr. Monroe and or Mr. Vos.

### ***Reports***

Each client will receive a performance and risk analysis statement of its investments on a quarterly basis or a semi-annual basis depending on the agreement with the client. If a review of a client's account warrants, a report will be issued on an as-needed basis.

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

### ***Client Referrals***

Monroe Vos does not utilize or pay third party solicitors for the referral of advisory clients to us.

### ***Affiliated Broker-Dealer***

MV may be used to custody through NFS and execute portfolio transactions for investment advisory clients at the discretion of the client, and MV will charge Execution and Settlement Charges to cover direct and indirect execution, settlement and processing costs. These transactions will be conducted subject to proper, and customary, disclosure including but not limited to compensation received by MV. Compensation is received by MV, as a broker-dealer, when portfolio transactions are effected on behalf of investment advisory clients by either Monroe Vos or the client's third-party money manager and therefore, MV can receive compensation as a result of acting in one or both capacities. *See Item 5 - Fees and Compensation.*

In certain circumstances and based upon any number of general factors (including pre-existing relationships and portfolio size) the conversion ratios of the Client Allowance and the Execution and Settlement Charges are negotiable. For employee benefit plans, the decision to engage Monroe Vos and MV can be a fiduciary decision. In that case, the responsible plan fiduciary must assure that the compensation paid directly and indirectly by the plan is reasonable, taking into account the services provided to the plan, the Client Allowance program, as well as any other fees or compensation received by Monroe Vos and MV in connection with the investment of plan assets. The Execution and Settlement Charge may be deemed to be a commission equivalent.

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***Additional Compensation - Mutual Funds Charges***

To the extent mutual funds are utilized in your portfolio, MV receives finder's fees and 12b-1 fees from the issuers of such mutual funds, and this will be in addition to the consulting fee paid herein. As this presents a potential conflict of interest in that it gives MV and its registered representatives an incentive to recommend investment products based on the compensation received. MV mitigates this conflict of interest in that it pays no brokerage compensation to its registered representatives. Additionally, Monroe Vos mitigates this conflict by providing clients with access to the Client Allowance, where the advisory client receives a reduction in advisory fees payable to Monroe Vos in an amount equal to 80% to 100% of the finder's fees and 12b-1 fees earned by MV. *See Item 15 – Custody; Client Allowance Program for further description on the Client Allowance.* With respect to defined contribution plans which utilize mutual funds, there are “no load” mutual funds that are generally utilized that don't result in additional compensation to Monroe Vos, or its affiliates, which might result in lower overall expenses to the plan due to the lower total expense ratios.

***Additional Compensation - Cash and Money Market Funds***

If an investment advisory client utilizes MV as the broker-dealer, Monroe Vos' selection of money market mutual funds or comparable investments in which to hold cash reserves in the client's account is limited to certain investments. The selection includes money-market, municipal money-market and government money-market funds, and the issuers of funds pay MV a distribution fee in its capacity as a broker-dealer. This compensation is in addition to other fees, etc. received from client accounts. Additionally, cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are so invested automatically on a daily basis. When securities are sold, funds are deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, MV obtains federal funds prior to the date that deposits are credited to client accounts and thus can realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, Monroe Vos has no control over the manner in which the cash reserves will be handled. The client and/or custodian will make that determination. This compensation is historically minimal in relation to all other compensation earned by Monroe Vos and its affiliates.

**Item 15 - Custody*****Selection of Custodian***

MV clears, on a fully disclosed basis, through NFS. NFS was selected as the executing and clearing broker based upon, among other things, its financial solvency and credibility, its level of

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customer service, its trade execution capability, its managed account trading desk and its reputation.

MV executes and clears securities transactions on a fully disclosed basis through NFS, as an introducing broker-dealer. NFS functions as the custodian for our clients electing to use our trade execution platform. *See Item 12 - Brokerage Practices, Item 10 - Other Financial Industry Activities and Affiliations, and Item 14 - Client Referrals and Other Compensation.* Regardless of our recommendation regarding the custodian, clients can direct us to utilize other custodians.

### ***Statements***

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Monroe Vos urges you to carefully review such statements and compare such official custodial records to the account statements that we or your money manager provide to you. Our statements vary from custodial statements based on accounting procedures and reporting formats.

### ***Custody Overview***

#### ***Custody Rule***

The Custody Rule provides that it is a fraudulent, deceptive or manipulative act, practice or course of business within the meaning of Section 206(4) of the Advisers Act for an investment adviser that is registered or required to be registered under the Advisers Act to have "custody" of client funds or securities unless they are maintained in accordance with the requirements of the rule. In this regard, where an investment adviser has custody of client funds or securities, it must obtain a surprise examination of client assets by an independent public accountant.

#### ***Invoicing***

Monroe Vos is deemed to have custody of the funds and securities as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee. However, a surprise examination is not required because Monroe Vos has written authorization from each client to deduct advisory fees from the account held with the qualified custodian and each time a fee is directly deducted from a client account, the we concurrently: (i). sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and (ii). sends the client an invoice or statement itemizing the fee. The itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.

#### ***Standing Letters of Authority ("SLOA")***

Monroe Vos is deemed to have inadvertent custody as a result of your providing us with SLOAs to withdraw funds from your portfolio account to pay third parties. As result, Monroe Vos engages

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an independent public accountant, registered with the Public Company Accounting Oversight Board (“PCAOB”), to verify the client funds distributed pursuant to the SLOAs by Monroe Vos were properly distributed in an annual surprise examination; In addition, Monroe confirms that (1) you provide an instruction to the qualified custodian, in writing, that includes the your signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed; (2) you authorize us, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time; (3) you have the ability to terminate or change the instruction to NFS; (4) we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the your instruction; (5) we maintain records showing that the third party is not a related party of Monroe Vos or located at the same address as Monroe Vos, and (6) NFS sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

### ***Client Allowance Program***

Monroe Vos is deemed to have custody of client funds pursuant to the Custody Rule, as to those clients who participate in the Client Allowance Program. Those advisory clients of Monroe Vos who participate in the Client Allowance Program are generally allocated a portion of finder’s fees and 12b-1 fees paid to MV during any quarter (the “Client Allowance”), first to any advisory fees payable by the respective client to Monroe Vos for the respective period, and then, to the extent that there are monies left, Monroe Vos generally either (i) pays to the client any monies left on a quarterly or (ii) the client forfeits any excess credits upon termination of the contract. *See Item 5: Fees and Compensation – Client Allowance Program.*

To address the regulatory obligations imposed by the Custody Rule, Monroe Vos (i) maintains client funds with a “qualified custodian”; in accounts that contain only clients’ funds, under the name of Monroe Vos, for the benefit of such clients; (ii) provides written notification to each client participating in the Client Allowance Program, of the qualified custodian’s name, address, and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes to this information; (iii) forwards account statements to advisory clients, at least quarterly, to each client for which it maintains funds pursuant to the Client Reallowance Program; (iv) will engage an independent public accountant, registered with the PCAOB, to verify the client funds of which Monroe Vos has custody in an annual surprise examination; and (v) will no less frequently than once each calendar year, obtain a written internal control report prepared by an independent public accountant which reflects an opinion of an independent public accountant as to whether controls have been placed in operation as of a specific date, and are suitably designed and are operating effectively to meet control objectives relating to custodial services, including the safeguarding of funds held by Monroe Vos on behalf of its advisory clients during the year.

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## **Item 16 - Investment Discretion**

We do not receive discretionary authority from the client to select securities to be bought or sold.

## **Item 17 - Voting Client Securities**

As a matter of Firm policy and practice, Monroe Vos does not have any authority to and shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the client investment portfolio. To this end, clients retain the responsibility for receiving and voting proxies, either directly or through their money managers, for any and all securities maintained in the respective client portfolio.

## **Item 18 - Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about our financial condition. As Monroe Vos has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, has not been the subject of a bankruptcy proceeding, and we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we have no additional material additional financial disclosures.

## **Item 19 - Other Information**

### ***Privacy Policy***

We respect your right to privacy and recognize our responsibility for protecting the privacy and security of the personal information we receive from you. We have always been committed to securing the confidentiality and integrity of your personal information. We will continue to conduct our business in a manner that conforms with our pledge to you, your expectations and all applicable laws. We are proud of our privacy practices and want our current and prospective customers to understand what information we collect and how we use it, therefore you will be provided with a copy of our privacy policy upon our engagement by you, annually thereafter, and at such time as there is a material change to our privacy policy.

### ***Business Continuity Plan***

Monroe Vos has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption, you cannot contact the Houston office as you usually do at 713-227-0100 or [julie.swanson@monroeivos.com](mailto:julie.swanson@monroeivos.com), you should call our

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alternative number, 713-594-1804, or you can reach our Birmingham office at 205-879-6824 or tim.callahan@monroevos.com. Should the Birmingham office be suffering a significant business disruption and cannot be reached at their usual number, 205-879-6824 or tim.callahan@monroevos.com, you should call their alternative number, 205-447-5670 or contact our Houston office using the contact information above.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

NFS backs up our important records in a geographically separate area. While every emergency situation poses unique problems based on external factors, such as time of day and the severity of the disruption, we have been advised by NFS that its objective is to restore its own operations and be able to complete existing transactions and accept new transactions and payments without interruption. However, your orders and requests for funds and securities could be delayed during this period.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only we are affected, a single building housing our Firm is affected, the business district where our Firm is located is affected, the city where we are located is affected, or the whole region is affected. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our Firm or a building housing our Firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 8 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within one business day. In either situation, we plan to continue in business and notify you through our customer emergency number, 713-594-1804, how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customer’s prompt access to their funds and securities.

For more information – If you have questions about our business continuity planning, you can contact us at 713-227-0100.