

## **Part 2A of Form ADV: *Firm Brochure***

### **Clearstead Advisory Solutions, a Division of Clearstead Advisors, LLC**

Division Office:  
150 West Main Street  
Suite 1700  
Norfolk, VA 23510

Corporate Headquarters:  
1100 Superior Avenue East  
Suite 700  
Cleveland, Ohio 44114

Telephone: 216-621-1090  
Email: [swolken@clearstead.com](mailto:swolken@clearstead.com)  
Web Address: [www.clearstead.com](http://www.clearstead.com)

**Updated as of 7/1/2024**

This brochure provides information about the qualifications and business practices of Clearstead Advisory Solutions, a Division of Clearstead Advisors, LLC ("Clearstead"). If you have any questions about the contents of this brochure, please contact Steven Wolken (Clearstead C.C.O.) at 216-621-1090 or [swolken@clearstead.com](mailto:swolken@clearstead.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Clearstead is an investment adviser registered with the SEC. Registration as an investment adviser does not imply any established or set level or skill or training. The oral and written communications Clearstead provides, including this Brochure, are information to evaluate Clearstead and factor in a decision to hire Clearstead or continue to maintain a mutually beneficial relationship.

Additional information about Clearstead also is available on the SEC's website at (<https://adviserinfo.sec.gov/>). You can search this site by a unique identifying number, known as a CRD number. Clearstead's CRD number is 105674.

## **Item 2      *Material Changes***

This section describes the material changes to Clearstead's business.

Since the last annual amendment of Clearstead's Form ADV Part 2A on March 31, 2023, Clearstead has made the following material changes:

- Effective 3/31/2024 the assets of Wilbanks Smith & Thomas Asset Management, LLC (WST) were acquired by Clearstead Advisors, LLC. The advisory services conducted under WST prior to 3/31/2024 will now be conducted under Clearstead Advisory Solutions, a Division of Clearstead Advisors, LLC. Wilbanks Smith & Thomas Asset Management, LLC will continue to operate as a separate legal and SEC registered entity to continue to provide investment advisory services to pooled investment vehicles.
- Clearstead Advisors, LLC has filed an Other-Than-Annual ADV Part 1 and Part 2A to reflect the regulatory assets under management for the combined firms (Clearstead Advisors and Clearstead Advisory Solutions, formerly the assets of Wilbanks Smith & Thomas), as of March 31, 2024.

Clearstead will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business' fiscal year. Furthermore, Clearstead will provide clients with other interim disclosures about material changes as necessary.

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## **Item 4      Advisory Business**

Clearstead Advisory Solutions, a Division of Clearstead Advisors, LLC (“Clearstead Advisory Solutions” or “CAS”), is a division of Clearstead Advisors, LLC (“Clearstead”) a SEC-registered investment adviser with its corporate headquarters located in Cleveland, Ohio. Clearstead Advisory Solutions’ division office is located in Norfolk, Virginia. Clearstead has a wholly-owned subsidiary named Clearstead Trust, which is a Maine-chartered trust company that can provide trustee services to Clearstead clients. Clearstead also has a wholly-owned subsidiary named Avalon Trust, which is a New Mexico-chartered trust company that can provide trustee services to Clearstead clients.

Clearstead is an independent investment advisory firm founded as Hartland & Co in 1989. Clearstead is owned by Hartland Management Investors, LLC (“HMI”), which holds the shares of Clearstead’s employees with approximately 40% ownership and Flexpoint Ford, LLC, through the entity Moses Buyer Holdings, LLC (“Flexpoint Ford”) with approximately 60% ownership. Effective October 23rd, 2018, Hartland & Co., LLC changed its legal name to Clearstead Advisors, LLC (“Clearstead”). This was only a name change with no change in ownership or control. Clearstead does business under its new name; however, it is also able to conduct business under the name Hartland & Co., LLC (“Hartland”). Through the acquisition of CLS Consulting, LLC (“CLS”), Clearstead continues to maintain the website for CLS ([www.clsconsultingllc.com](http://www.clsconsultingllc.com)).

Clearstead is structured to put client’s interests first. The firm makes every effort to remove or mitigate any conflicts of interest and is dedicated to serving client interests with the highest standards of fiduciary and professional conduct. Clearstead is independent and believes this is central to providing objective and high-quality advice to its clients.

### **SERVICES PROVIDED**

This Part 2A of Form ADV describes services provided to clients of Clearstead Advisory Solutions, a Division of Clearstead Advisors, LLC. Separate Part 2A brochures of Form ADV describes Private Client and Institutional Client services provided by Clearstead Advisors.

#### **Clearstead Advisory Solutions (“CAS”)**

CAS provides investment services for individuals, pension and profit-sharing plans, corporations, Taft Hartley organizations, municipalities, bank trust departments, trust companies, insurance companies, foundations and endowments. Our investment management services include asset allocation, security selection, portfolio rebalancing, and performance monitoring and reporting. We provide our clients with investment advisory services consisting of discretionary asset management through use of equity, fixed income and balanced (between equity securities such as stocks and fixed income securities such as municipal and government bonds) portfolios.

Our primary strategy is to diversify the portfolio by asset class, geography, market capitalization, and style. The investment program used to implement this strategy employs Exchange Traded Funds (ETF’s) and/or mutual funds and/or individual stocks in the equity segment of the portfolio and individual bonds and/or bond funds and/or ETF’s in the fixed income segment. These portfolios are implemented for our clients based on their specific objectives.

In addition, CAS offers advisory services through a platform of investment strategies that focus on improving risk-adjusted return through rules-based, risk-managed investment frameworks that rely on complex quantitative modeling and are executed primarily through ETFs and in some cases mutual funds. CAS also utilizes quantitative research and rules-based strategies, which may include investing a client’s assets in money market funds, gold funds or investment grade fixed income funds as a defensive strategy.

The long-term objective of each CAS strategy is to achieve risk-adjusted returns that exceed those of comparable buy-and-hold strategies, primarily by reducing the experience of volatility that affects markets. Certain strategies

incorporate various sub-strategies that generate buy/ sell signals based on a range of factors that comprise trends we believe are correlated to asset class performance. The models are designed to issue signals based on each strategy and attempts to limit losses during declining markets and to participate in rising markets. The strategies shift investments among money market funds and multiple asset classes through investments in actively managed and/or passive equity and fixed income mutual funds or ETFs. Portfolio allocations may be rebalanced at CAS's discretion. Each of the CAS strategies have varying degrees of investment risk that are unique to that particular strategy as disclosed to clients via the CAS marketing presentations.

CAS offers investment advice to retirement plans such as 401(k) plans and other retirement plans or related entities regarding the type of securities or investments which should be included as investment options for the plan participants. We also offer various allocation strategies and investment advice to individual plan participants based upon the participant's particular investment objectives which include the use of various retirement resource platforms offering, among other investments, a selection of mutual funds offered by a variety of mutual fund complexes.

In select circumstances, CAS will recommend the potential investment by clients in privately held entities such as illiquid alternative investments, hedge funds, etc. consistent with the client's investment objectives. Some of our employees and principals may also be investors in these entities. This presents a conflict of interest which Clearstead addresses with full and fair disclosure to clients.

In select circumstances, CAS provides strategic and business consulting services as well as other financial advice to clients upon request generally on matters not related to investments in securities.

In select circumstances, CAS will provide research information and analysis on its own investment styles and strategies to other investment advisory firms and other institutions which these firms may use to provide services to their clients.

Non-discretionary investment management services are available on a limited basis although our focus is discretionary investment management services.

Our wealth management services can include asset allocation, investment management, financial and retirement planning and net worth/cash flow planning.

Client accounts may be managed directly by CAS or through the use of other investment management firms, referred to as "subadvisors," which we will retain to manage all or a portion of your assets on a sub-advisory basis on a fully discretionary basis subject to limitations imposed by the client's investment objectives and other regulatory limitations.

Our services and processes are designed to determine and address our individual clients' overall wealth management needs with a focus on coordination and implementation of the client's overall investment and retirement needs. This process involves the use of an investor profile designed to collect information as to the client's investment and financial circumstances and objectives, time horizon expectations and risk tolerance as well as the collection of certain key financial documents as well as meetings with our clients and discussions in some instances with their professional advisers. The client may also impose restrictions on our ability to implement particular types of investments on its behalf if that is the client's preference as part of the process. We then prepare a written investment policy/asset allocation policy for the client upon request based upon the information collected. We do not provide legal, tax, or accounting advice or services and you should not assume that we are providing you such services at any time. Also, you should understand that, generally speaking, securities or other investments for which we provide advice to you are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

## **Wrap Fee Services**

CAS has entered into a “wrap fee” arrangement sponsored by LPL Financial Group, which is unaffiliated with Clearstead. Also, some of our clients may be involved in other such arrangements with brokerage firms or other companies which sponsor such arrangements. Under a wrap fee arrangement, a brokerage firm or other company may recommend retention of CAS to manage all or a portion of your assets; pay us our fee for our services; monitor and evaluate our services in managing your assets; execute securities transactions which we implement on your behalf; and provide you with custodial services for your assets, or the brokerage firm or other company may provide any combination of these services, for a set fee to be paid by you to the brokerage firm or other company. Under a wrap fee arrangement, your assets would be managed by us in the same manner as assets managed by us for our clients NOT in a wrap fee arrangement, although this would be subject to your particular investment needs and objectives and we may have limited or minimal contact with you where the brokerage firm or other company maintains the direct and primary relationship with you. You should understand that, depending upon the amount of the wrap fee the brokerage firm or other company charges you, the number of securities transactions in your account, the value of custodial or other services you will receive under the arrangement, the amount of the wrap fee may not be less than the total cost for such services added together if obtained separately. As a result, such arrangements may not be suitable for all clients based on the client’s individual financial circumstances and investment goals. You can find more specific information on each wrap fee arrangement in the Wrap Fee Program Brochure, which should be available to you from the wrap fee arrangement sponsor. CAS does not act as a sponsor of any wrap fee arrangements.

## **Retirement Planning**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code (IRC), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **OTHER BUSINESS ACTIVITIES**

### **Clearstead Advisors - Private Client**

In addition and separate from the advisory services that Clearstead Advisory Solutions offers, private clients (families, individuals, and estates) may engage Clearstead Advisors (“Clearstead”) for advisory services for the following services: investment management, financial consulting, tax planning and compliance, and family office administration. Clearstead’s services are tailored to the unique needs and desires of its clients. Clearstead has specialists in each of the services that it offers.

A separate ADV Part 2A, under “Clearstead Advisors – Private Client” describing these services is available on the SEC’s website at (<https://adviserinfo.sec.gov/>). You can search this site by a unique identifying number, known as a CRD number. Clearstead's CRD number is 105674.

### **Clearstead Advisors - ClearAccess Platform**

ClearAccess is a platform created to simplify investing in illiquid alternatives by combining years of experience, access to high-quality managers, and a streamlined process to access private investments. Initial and future recommendations are covered by one set of subscription documents and ClearAccess also consolidates accounting for capital calls, distributions, statements, performance, and tax information. In addition to the benefits above, ClearAccess provides a platform with typically lower costs to clients compared to investing in other hedge or private equity fund of funds directly. Clearstead accomplishes this by working with a third-party investment manager and administrator (GLASfunds, LLC) whose fees are negotiated by Clearstead. GLASfunds, LLC is an investment advisor registered with the SEC. While Clearstead owns a minority equity stake in GLASfunds, Clients are under no obligation to invest in alternative investments through GLASfunds. Clearstead does not receive any compensation from the underlying alternative managers that it recommends through ClearAccess.

ClearAccess allows clients to invest in alternative managers on an a la carte basis, ClearAccess Balanced Hedge or ClearAccess Private Equity Series. ClearAccess Balanced Hedge is a select group of hedge fund managers and allocations chosen by Clearstead and designed to target an absolute return of cash plus 4-6% over a complete market cycle. ClearAccess Private Equity Series is a select group of private equity funds designed to diversify among stage, geography, size, and sector to generate competitive returns over a full market cycle.

### **Clearstead Advisors - Institutional Consulting**

Clearstead also provides both traditional investment consulting services (non-discretionary) and OCIO services (discretionary) to institutional clients (pension, profit sharing and 401(k) plans, endowments, foundations and operating non-profits). Clearstead is capable of accepting fiduciary responsibility under Section 3(21) and as an investment manager under Section 3(38) of ERISA.

A separate ADV Part 2A, under "Clearstead Advisors – Institutional Clients" describing these services is available on the SEC's website at (<https://adviserinfo.sec.gov/>). You can search this site by a unique identifying number, known as a CRD number. Clearstead's CRD number is 105674.

### **Clearstead Advisors - Trust Administration Services**

Clearstead will work with high-net worth families and family offices to review estate planning documents and consider options for implementing a private family trust company. Clearstead will also provide ongoing trust administration services.

### **Clearstead Advisors - Executive Financial Services**

Clearstead offers comprehensive and tailored financial wealth services to organization's executive leadership. Our offering, which incorporates the rigor of our institutional investment consulting practice with the deep tax and planning resources of our private client advisory practice, is designed specifically around an organization's benefits, retirement plans, and incentives. We work with an organization to design a benefit for the executive leadership to provide financial resources and incentives for them to engage with Clearstead and benefit from the fully integrated tax, planning and investment capabilities of our Private Client Group.

### **Clearstead Advisors - Sub-Advisor Investment Management**

Clearstead offers discretionary sub-advisory investment management services to the individual clients of unaffiliated advisors. Under this service, the unaffiliated advisor will act as the primary advisor and fiduciary with the option to provide investment management services to its individual clients directly or engage with Clearstead as a sub-advisor to provide discretionary investment management and trade execution services. When Clearstead acts as a sub-advisor with discretionary investment services, Clearstead will use model strategies with different purposes

and risk levels. The unaffiliated advisor will be responsible for reviewing the model strategies with their individual clients and selecting the model strategy that is most appropriate. If the unaffiliated advisor selects Clearstead for sub-advisor investment management services, the unaffiliated advisor will sign a Clearstead sub-advisor client management agreement for each of their clients to document the engagement, model strategy, and any reasonable restrictions. The model strategies can be allocated on an account-by-account basis or across multiple accounts. Clearstead may also provide general economic information or due diligence for the investment managers that are used in its models, which can be used by the unaffiliated advisor with its clients.

The unaffiliated advisor is responsible for establishing its own custody relationship, whereas Clearstead will be an approved sub-advisor and have access to the unaffiliated advisor's client's accounts for trade execution purposes only. Furthermore, the unaffiliated advisor is responsible for negotiating all trading/transaction/custody fees that its clients will be responsible for paying while engaged with Clearstead for sub-advisor investment management services.

Clearstead also acts as a sub-advisor to advisors and their funds, whereas the primary advisor may delegate some or all of its services to Clearstead. The delegated services could include maintaining models (or series), discretionary investment services, investment manager sourcing, and ongoing investment manager due-diligence.

### **Clearstead Advisors - Investment Research and Due-Diligence**

Clearstead has engaged with unaffiliated firms to provide investment research and due diligence on investment managers. Under this type of Service Agreement Clearstead provides proprietary research on mutually agreeable investment managers that Clearstead may or may not recommend to its own clients. Furthermore, clients are provided the opportunity to white label the research reports under their own name.

### **Other**

Clearstead does not provide brokerage or custodial services, nor is it affiliated with any brokerage firm, bank, or have any proprietary funds.

### **MISCELLANEOUS**

***Non-Investment Consulting (Financial Planning) Limitations:*** CAS does not serve as an attorney or insurance agency, and no portion of our services should be construed as such. Accordingly, CAS does not prepare estate planning documents or sell insurance products. To the extent these services are requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, insurance, accountants, etc). Clients are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation that we make.

If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional(s) (i.e. attorney, insurance agent, accountants, etc.), and not CAS, shall be responsible for the quality and competency of the services provided.

It remains the client's responsibility to promptly notify CAS if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising CAS's previous recommendations and/or services.

***Non-Discretionary Service Limitations:*** Clients that engage with Clearstead on a nondiscretionary investment advisory basis must be willing to accept that CAS cannot affect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that CAS would like to make a transaction for a



client's account (including in the event of an individual holding or general market correction), and the client is unavailable, CAS will be unable to affect the account transaction(s) without first obtaining the client's consent.

**Retirement Rollovers - No Obligation/Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If CAS recommends that a client roll over their retirement plan assets into an account to be managed by CAS, such a recommendation creates a conflict of interest if CAS will earn new (or increase its current) compensation (advisory fee) as a result of the rollover. No client is under any obligation to rollover retirement plan assets to an account managed by CAS.

**Unaffiliated Private Investment Funds:** Clearstead may recommend that certain qualified clients consider an investment in private investment funds. Typically these investments are made through the ClearAccess platform. CAS's clients are under absolutely no obligation to consider or make an investment in a private investment recommendation.

Private investment funds generally involve risk, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a subscription agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment. If a client engages with CAS under an assets under management based advisory fee, CAS typically includes the value of private fund investments that it recommends. The value for all private investment funds owned by the client will reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report.

**Non-Managed Accounts:** CAS may provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by CAS ("Non-Managed Assets"). The client and/or their other advisors that maintain trading authority, and not CAS shall be exclusively responsible for the investment performance of the Non-Managed Assets. Unless otherwise specifically agreed to, in writing, CAS's service relative to the Non-Managed Assets is limited to reporting only. Exception to the above shall be if a client asks CAS to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), CAS does not maintain any trading authority for the Non-Managed Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Non-Managed Assets. If CAS is asked to make a recommendation as to any Advised Assets, the client is under absolutely no obligation to accept the recommendation, and CAS shall not be responsible for any implementation error (timing, trading, etc.) relative to the Non-Managed Assets. In the event the client desires that CAS provide investment management services for the Non-Managed Assets, the client may engage CAS to do so.

**Portfolio Activity:** CAS has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, CAS will review client portfolios on an ongoing basis to determine if any changes are necessary due to market or economic conditions, if investments have fallen outside of prescribed ranges and/or a change in the client's investment objectives. Based upon these factors, there may be extended periods of time when CAS determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by CAS will be profitable or meet any performance expectations.

**Cash Positions:** CAS may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all cash and cash equivalent positions will be included as part of assets under management-based advisory fees.

**Client Obligations:** In performing our services, CAS shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify us if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising our previous recommendations and/or services.

**Disclosure Statement:** A copy of CAS's written disclosure statement as set forth in this Form ADV Part 2A shall be provided to each client prior to, or contemporaneously with, the execution of the Investment Advisory Agreement. In addition, from time to time, Adviser may be required to deliver certain documents to the client. Client, to the extent that client has email capability and/or web access, hereby consents to the Adviser's use of electronic means, such as email, to make delivery of required and other documents. This delivery may include notification of the availability of such document(s) on a website, and client agrees that such notification will constitute "delivery." In conjunction with the investment advisory agreement, the client agrees to provide CAS with the client's email address and to keep this information current at all times by promptly notifying CAS of any change in email address.

## **AMOUNT OF ASSETS UNDER ADVISEMENT & MANAGEMENT**

As of 3/31/2024, Clearstead Advisors' total assets under advisement were approximately \$44.7 billion, which includes assets under management. Total assets under management were \$22,368,771,314 (\$15,930,841,330 discretionary and \$6,437,929,984 non-discretionary).

### **Item 5 Fees and Compensation**

CAS is typically compensated for its investment advisory services by charging you a management fee based on the market value of your assets under our management based upon the fee schedule set forth below:

#### **Equity/Balanced/Fixed Income Accounts**

- 1.00% on the first \$5 million
- .75% on the next \$5 million
- .50% above \$10 million

Fees are typically billed quarterly in arrears based upon the market value of the assets at the end of the preceding quarter, except for certain manually priced securities which may be valued on a more infrequent basis. In this instance, a valuation other than the end of the preceding quarter may be used for fee billing purposes, including holding the security at cost. Fees are typically billed on cash and cash sweep instruments but not typically billed on assets designated as unmanaged. Certain legacy accounts may be billed differently than current client accounts. Private and alternative investments will generally be valued at cost, unless the General Partner or Investment Manager provides Advisor with material that clearly, in the Advisor's reasonable discretion, demonstrates a market value higher or lower than its cost, in which case such securities will be valued at such higher or lower amount as reasonably determined by the Manager. If your relationship with us begun or ended during a calendar quarter, your fee will be prorated for the appropriate number of days completed or remaining in the quarter and, where applicable, you will be issued a refund for any portion of your quarterly fee paid in advance (such as in a wrap fee arrangement) which was unearned.

You may pay your fee to us directly upon receipt of an invoice from us or you may authorize your custodian to allow us to directly debit our fee from your account or accounts. If you choose the latter method, your custodian will not confirm our fee but will pay the amount based on the fee amount communicated to the custodian by us and send it directly to us. You will receive a periodic statement from your custodian which will include the amount of the fee

which has been sent to us. You should confirm the accuracy of our fee calculation upon receipt of your custodian's statement.

The fees you pay us do not include brokerage commissions or other fees or charges associated with securities transactions implemented with or through a brokerage firm, mark-ups or mark-downs in principal transactions, deferred sales charges, odd-lot differentials, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation all of which will be charged to you in addition to our fee. We do not receive any portion of any of the foregoing expenses or fees. You should go to the section on Brokerage Practices in our brochure for more information on how we select or recommend brokerage firms for your securities transactions and information related to that process.

Our fee for our consulting services and investment advisory services for retirement plans and participants, as described above in the section on Advisory Business, may be negotiated on a case by case basis.

You should understand that mutual funds (including exchange-traded funds) impose separate investment management fees and other operating expenses, typically described in the fund's prospectus, for which you, the client, will be charged separately from the fee paid to us for our services.

As we discussed in the section on Advisory Services in our brochure, we have entered into "wrap fee" arrangements with certain brokerage firms or other companies where you pay the brokerage firm or other company an agreed upon fee for investment management by us or other investment advisory firms such as us brokerage commissions, custodial services and possibly consulting services. We receive a portion of the "wrap fee" you pay the brokerage firm for our services. Our portion of the fee generally ranges from 25 to 60 basis points of the assets we manage depending upon our arrangement with the brokerage firm or other company that sponsors the wrap fee arrangement.

CAS also serves in a sub advisory role or research provider for investment management firms, some of which may be affiliated with us or other institutions. Please refer to the section on Other Financial Industry Activities and Affiliations below for more information.

We primarily recommend "no load" mutual funds and exchange traded funds for our client portfolios, which are mutual funds, sold without a commission or sales charge.

Clients should be aware that similar or comparable services may be available from other firms including other investment management firms at a cost higher or lower than that available through us.

**Limited Negotiability of Advisory Fees:** Although CAS has established the aforementioned fees, CAS retains the discretion to negotiate alternative fees on a client-by-client basis. **Client facts, circumstances and needs are considered in determining the fee schedule, which means that a client's advisory fee may be greater or less than the fees described above.** These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, discretionary or non-discretionary authority, among other factors. The specific annual fee schedule is identified in the agreement between CAS and each client. All fees are agreed upon prior to entering into a contract with any client.

## **GENERAL INFORMATION**

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice, unless different termination terms have been agreed to according to a client's advisory agreement.

**Mutual Fund Fees:** All fees paid to CAS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without CAS's services. In that case, the client would not receive the services provided by CAS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and CAS's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Sub-Advisor Managed Account Fees:** CAS may recommend sub-advisors to Clients to as part of their investment portfolio. Clients engaged with sub-advisors will be charged an advisory fee by the unaffiliated sub-advisor in addition to the advisory fee charged by CAS.

**Additional Fees and Expenses:** In addition to CAS's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an underlying investment manager effects transactions for the client's account(s). Some institutional clients are invoiced a one-time custodian validation-communication charge with a subsequent electronic communication yearly fee, per account. If CAS imposes these charges, it will be communicated with the client at the inception of the relationship. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts:** CAS is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, CAS is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, CAS's only source of fees is from client advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances does CAS require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **CLEARSTEAD ADVISORS**

If a client engages Clearstead Advisors for services listed in Item 4 under Other Business Activities, the client will engage Clearstead for services under a separate advisory agreement for services and related fees. Please see services and fees listed under separate ADV Part 2As, titled "Clearstead Advisors – Private Client" and "Clearstead Advisors – Institutional Client" on the SEC's website at (<https://adviserinfo.sec.gov/>). You can search this site by a unique identifying number, known as a CRD number. Clearstead's CRD number is 105674.

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

CAS does not charge or receive any performance-based fees.

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

Our clients include individual persons, banks or thrift institutions, pension and profit sharing plans, 401(k) plans, Taft-Hartley organizations, trusts, estates, endowments, charitable organizations and foundations, corporations or similar business entities, governmental entities, investment companies and other pooled investment vehicles. Generally, our minimum account size is \$1,000,000 although this may be waived based on considerations, such as the account's relationship to established clients and other factors.

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

Our investment committee is the clearinghouse for the origination, research, and implementation of investment ideas. Committee discussions are wide ranging and committee members are encouraged to bring new ideas to the table. Our research universe includes hundreds of funds, stocks, and bonds, all of which are closely monitored by our analyst team and research committee. CAS researches and monitors individual companies as well as actively managed mutual funds/managers, index funds/passive funds and ETF's. The portfolio managers and research analysts work together to analyze and identify companies and funds which are suitable for inclusion in client portfolios.

We use several methods of investment analysis and investment strategies to provide services to our clients. Our methods of investment analysis include fundamental analysis which is the analysis of a company's financial statements, its management, competitive advantages, markets, etc.; cyclical analysis which involves the buying and selling of investments when certain financial ratios are low or high; and technical analysis which is the analysis of a company by studying past market data such as price and volume.

Our investment strategies include, depending upon the client's objectives, long term purchases (securities generally held for at least a year); short term purchases (securities generally held for less than a year); short term trading (securities generally bought and sold within thirty days); and short sales (a technique which seeks to gain from an anticipated decline in the price of a company's securities).

The use of stock options (securities which provide the investor with an opportunity to purchase another security or property at a specified price over a stated time) and margin transactions (buying securities with borrowed money used to magnify returns—margin refers to the equity in the investment) are available on a limited basis, but only if requested by the client.

Strategies such as short sales and the use of stock options and margin transactions carry a higher risk of market losses, which can result from unanticipated movements in the market price of the underlying security being used in the strategy.

The securities we use in our investment strategies and investment advice include equity securities such as exchange-listed securities; securities traded over the counter and foreign issues; warrants; debts; securities of corporations and similar entities; commercial paper; certificates of deposit; municipal and government securities; investment company securities including variable life insurance, variable annuities and mutual fund shares including exchange traded funds; options on securities and commodities; futures contracts; and interests in real estate and oil and gas partnerships. We also offer advice, on a limited basis, related to direct real estate investments and private alternative investments such as hedge funds (which generally refers to a wide range of private restricted investments that can vary substantially in terms of size, strategy, business model, and organizational structure) and private equity funds (private restricted funds that make investments directly into private companies or conduct buyouts of public companies). CASAM typically charges an asset-based fee for these types of alternative investments that is based on the fee stipulated in the investment advisory agreement related to the client's account. Private and alternative investments will generally be valued at cost, unless the General Partner or Investment Manager provides Advisor with material that clearly, in the Advisor's reasonable discretion, demonstrates a market value higher or lower than its cost, in which case such securities will be valued at such higher or lower amount as reasonably determined by the Manager.

### **RISK OF LOSS**

Investing in securities involves the potential risk of loss in the value of the securities both in the amount invested in the securities as well as any profits, which have not been realized by selling the securities. You should be prepared to bear the risk of such losses. The degree of risk depends upon the type of security or strategy involved. Adviser communications discussing private or alternative investments are meant to be used for informational purposes

only and investors should rely only on the offering memorandum for details regarding the investment. Any private or alternative investment has the potential for great risk and the opportunity for complete loss of the initial investment. CAS receives no commissions on the placement of private or alternative investments. The investor should review all the documents from the manager of the alternative investment and not rely on discussions of the investment with CAS representatives. As with any private or alternative investment, there is no pressure to invest and CAS wants to make sure the investor has had a chance to review in case there is interest. For any private or alternative investment with limited capacity, CAS will ensure all clients have filled their investment allocations, as suitable, before any CAS personnel may invest alongside clients. The risks of loss described below should not be considered a complete list of all the risks that clients should consider.

**Management Risk:** CAS's judgement about the attractiveness of investment managers could be incorrect. There is no guarantee that the securities, investment strategies, or investment managers recommended for client's accounts will perform as anticipated.

**Allocation Risk:** Although CAS seeks to recommend an optimal asset allocation among different asset categories and strategies to limit risk, a client's portfolio could have exposure to an asset category, strategy, or investment manager that performs poorly relative to other asset categories, strategies, or investment managers.

**Investment Manager:** Clients should carefully consider the investment objectives, risks, and expenses associated with the investment managers and vehicles (mutual funds, ETFs, pooled investments, separate account managers) that CAS recommends. Although CAS seeks to be transparent and explain information about the investment managers it recommends, clients are encouraged to review this information on their own.

**Equity Securities Risk:** Equity securities (common, convertible and preferred) could decline in value if issuer's financial condition declines or in response to overall market and economic conditions. A security or fund's market segment (large cap, mid cap, small cap, growth, or value) may perform differently from other market segments or the equity markets as a whole. Investing in small-cap or mid-cap securities or funds may have greater risk and price volatility than large-cap securities or funds.

**Non-US Investments Risk:** Investing in securities outside the US (foreign) involve risks not typically associated with US investments. Some of these risks include political, economic, legal, currency, accounting, and tax, which can cause greater risk and price volatility. More established non-US markets (developed) may have governments that are more stable compared to emerging markets which can have governments and economies that are less stable and have less liquidity.

**Alternative Investments Risk:** Alternative investments including private equity, private real estate, venture capital, and hedge funds are subject to legal or other restrictions on liquidity that do not exist for other publicly traded (liquid) investments. Investors in alternatives (including client investing through the ClearAccess platform) may not be able to sell when desired or to realize anticipated or reported value when sold. Also, the calculation of fair market value of alternatives can be difficult or delayed and alternatives typically have fees that are higher compared to publicly traded securities.

**Interest Rate Risk:** As nominal interest rates change, the value of fixed income securities (bonds) is likely to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, and their market values likely will decline.

**Credit Risk:** Generally, the lower the credit rating of a fixed income security, the greater the risk that the issuer will default on its obligation. If this were to occur, it is likely that the value of the fixed income security may fall in value.

**Issuer Risk:** The value of a fixed income security could fluctuate due to a number of factors related to its industry or economics sector. For example, municipal securities could fluctuate due to adverse political, legislative, and tax law changes. Also, Government sponsored entities, such as Freddie Mac or Fannie Mae, are not issued or guaranteed by the US government. There may be times when these risks could cause reduced market liquidity and a decreased in the value of the securities.

**General Market Risk:** Risks such as political, economic, and social conditions could cause volatility in financial markets and cause the price of a security, bond, or mutual fund to drop in reaction to tangible and intangible events and conditions.

**Inflation Risk:** Also called purchasing power risk when inflation is present a dollar today will not buy as much as a dollar in the future because purchasing power and potentially performance is eroding at the rate of inflation.

**Liquidity Risk:** Liquidity is the ability to readily convert a security into cash. Generally, the price of a security is affected by the size of the security or issuer and the trading demand. If there is limited trading interest or more investors are trading a certain direction the price of the security could fluctuate.

**Derivatives Risk:** Clients or investment managers may use derivatives such as options, swaps, futures contracts, forward agreements, and other derivative contracts. Derivatives could cause risks due to leverage, volatility, default, and illiquidity and cause a significant difference between the change in market value of a security and the prices of the derivatives.

**Data Source Risk:** CAS uses third-party data sources for security valuations, research, and performance. If the information CAS receives from a third-party is incorrect, the results that CAS reports could be inaccurate. CAS has found that the data it receives from third-parties has been reliable; however, CAS makes no guarantee that the data received from third-parties is accurate.

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

Clearstead Advisors, LLC is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Clearstead Advisors, LLC and its employees, including Clearstead Advisory Solutions, have no reportable disciplinary events to disclose.

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

Clearstead is partially owned by Flexpoint Ford which could have a controlling interest in certain other regulated entities. Clearstead does not have any interest in any of these other entities and is not aware whether any of its clients are also clients of the regulated entities owned by Flexpoint Ford.

Clearstead owns a minority equity stake in a third-party alternative investment platform, GLASfunds, LLC, which Clearstead will selectively recommend to clients for investing in alternative managers on the ClearAccess platform. Clients have no obligation to invest in alternative investments or to use GLASfunds, LLC.

Clearstead Trust, LLC ("Clearstead Trust") is a wholly owned subsidiary of Clearstead Advisors, LLC. As a separate legal entity, Clearstead Trust provides bespoke trust services to its clients including corporate trustee and relates services. Clearstead Trust is regulated by the Maine Bureau of Financial Institutions, and clients of Clearstead Advisors will have the ability to use Clearstead Trust for services, though Clients are under no obligation to do so. Select employees of Clearstead Advisors will serve as officers and directors of Clearstead Trust and perform specific services for the company.

Avalon Trust, LLC ("Avalon Trust") is a wholly owned subsidiary of Clearstead Advisors, LLC. As a separate legal entity, Avalon Trust provides bespoke trust services to its clients including corporate trustee and relates services. Avalon Trust is regulated by the Financial Institutions Division of the New Mexico Regulation & Licensing Department, and clients of Clearstead Advisors will have the ability to use Avalon Trust for services, though Clients are under no obligation to do so. Select employees of Clearstead Advisors will serve as officers and directors of Avalon Trust and perform specific services for the company.

Effective March 23, 2023, Clearstead acquired the clients of CLS Consulting, LLC (“CLS”). Although trust administration services will be conducted under Clearstead Advisors, Clearstead will continue to maintain the CLS website ([www.clsconsultingllc.com](http://www.clsconsultingllc.com)).

CAS provides research services to Wilbanks Smith & Thomas Asset Management, LLC (“WST”), a separate SEC-registered investment advisor, which includes services to the WSTCM Credit Select Risk-Managed Fund (“WSTCM Fund”). In select circumstances, CAS will recommend, on the client’s behalf and in their best interest, the WSTCM Fund. CAS recognizes this presents a conflict of interest, and it addresses this conflict by full and fair disclosure to clients.

In addition, select CAS employees, in their individual capacities as an outside business activity (OBA) and not through CAS, have an equity ownership stake in WST, and will provide consulting services to the pooled investment vehicles it manages.

CAS clients who invest in the WSTCM Fund will pay the respective fees of the WSTCM Fund. WSTCM Fund’s specific fees are discussed in its prospectus, which is available on the WSTCM Fund’s website at [www.wstcmfunds.com](http://www.wstcmfunds.com) or by calling 866-515-4626. Please refer to the prospectus for the WSTCM Funds for important and more detailed information on each Fund.

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

Clearstead, including CAS, has adopted a Code of Ethics which sets forth high ethical standards of business conduct that it requires of its employees, including compliance with applicable federal securities laws.

Clearstead and its personnel owe a duty of care and a duty of loyalty towards its clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Clearstead’s Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by all employees.

Other procedures regarding potential conflicts of interest addressed by the firm’s Code of Ethics include:

- The Firm prohibits the use of material non-public information. While Clearstead does not believe that it has any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.
- Typically gifts of a nominal value may be offered or received. Gifts in excess of \$250, whether individual or in aggregate must be pre-cleared and pre-approved by the CCO.
- Clearstead’s political contributions policy, which aims to ensure compliance with SEC Rule 206(4), places significant restrictions on the ability of the Firm’s personnel to make political contributions. Any outside business activity involving a non-affiliated company must be pre-approved so that the Firm can ensure any conflicts of interest in such activities are properly identified and addressed.

Clearstead’s Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of its clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Clearstead personnel have the ability to buy or sell for their personal account’s securities identical to or different from those recommended to our clients. In addition, a certain security or securities may also be recommended to a client even when a related person has an interest or position in the same security or securities.

Before an employee purchases an individual stock or bond, pre-clearance must be attained from the Chief Compliance Officer (“CCO”). The CCO maintains a restricted securities list to ensure that employees do not purchase a security where its clients would have inside information. If an employee would like to purchase a “restricted”



security, Clearstead prefers such activity during the “open window” period. In any case, where an employee feels that there may be an actual or perceived breach of these policies, he/she is required to review the situation with the CCO immediately.

As part of the Firm’s fiduciary duty, Clearstead’s personnel will devote to its clients as much time as necessary to appropriately deliver its advisory services. Nonetheless, Clearstead personnel are not restricted from engaging in other business activities, including service on the boards of other investment-related entities (that are recommended for certain client accounts) or in other investment-related positions. Such activities could be viewed as creating a conflict of interest.

A copy of Clearstead’s Code of Ethics is available to clients and prospective clients. You may request a copy by email sent to [swolken@Clearstead.com](mailto:swolken@Clearstead.com) or by calling Clearstead at 216-621-1090

## **Item 12 Brokerage Practices**

Clearstead does not provide brokerage or custodial services, nor is it affiliated with any brokerage firm, bank, or have any proprietary funds.

Clearstead is not a qualified custodian and does not maintain custody of client funds and securities. Clients’ assets are maintained at qualified custodians, generally a broker-dealer or bank. Clearstead provides its clients the ability to select a custodian of their choice; however, Clearstead recommends that private client accounts managed by Clearstead be custodied at Schwab and/or Fidelity, Clearstead’s preferred custodians. Clearstead has selected Schwab and Fidelity as the most advantageous based on the cost and quality of its services. Clearstead evaluates the cost and services that Fidelity and Schwab provide to its clients on an ongoing basis to ensure that they are advantageous.

Schwab and Fidelity provide Clearstead and its clients with access to its institutional brokerage services, such as trading, custody, reporting, advisor fee deduction and other related services. By maintaining relationships with Fidelity and Schwab, Clearstead’s clients have access to investment products and services that they may not otherwise have access to as “retail” clients. Fidelity and Schwab may provide Clearstead with access to research and other services (i.e. educational conferences, practice management consulting) that assist Clearstead in managing and administering client portfolios.

Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay more than the lowest available transaction cost in order to obtain brokerage and research services (commonly referred to as a “soft dollar” arrangement). Clearstead has NOT entered into any formal soft-dollar arrangements or commission-sharing arrangements with any custodian, counterparty or investment manager, and has no intention of doing so. Clearstead does receive economic benefits (e.g. research or services) from custodians, counterparties or investment managers that are generally made available to all institutional clients with which they do business and which Clearstead deems as advantageous to its clients. The economic benefits received by Clearstead do not depend on the amount of brokerage transactions directed to the custodian. Furthermore, Clearstead’s receipt of a custodian’s general platform services does not diminish Clearstead’s duty to act in the best interests of its clients, including to seek best execution or trades for client accounts.

Clearstead requires that clients provide it with written authority to utilize a specific broker-dealer and the corresponding commission costs that will be charged to its clients for transactions.

Clients must indicate any limitations on Clearstead’s discretionary authority in writing, which will be recorded in a client’s investment policy statement. Clients may change/amend these limitations as required. Such amendments must be provided to Clearstead in writing.

Directed Brokerage: CAS will execute transactions through a particular brokerage firm as a result of your decision to direct us to execute transactions through a particular brokerage firm or as a result of your decision to participate in a “wrap fee” arrangement in which case trades are generally executed through the brokerage firm with which you have entered into the “wrap fee” arrangement. In this situation, you will be responsible for negotiating the commission rates you pay, not us. You should be aware that our inability to negotiate commissions, obtain volume discounts and that best execution may not be achieved for transactions in your account(s). As a result, transactions in accounts directed by you to a particular brokerage firm may result in higher commissions, greater spreads or less favorable net prices than would be the case if we were authorized to choose the brokerage firm through which to execute transactions for your account(s). You should also be aware that disparities in commission charges for similar transactions in accounts in different clients of ours may exist and that there is a conflict of interest arising from such directed brokerage practices.

You should be aware that transactions for accounts which we have been instructed by you to direct to a specified brokerage firm may be placed subsequent to transactions we enter for client accounts where we determine the brokerage firm through which to execute transactions for clients. This may result in less favorable execution for those accounts where we have been instructed by you to direct trades to a specified brokerage firm for execution.

You should be aware that you have brokerage options which you should consider other than instructing us to direct to your transactions to a particular brokerage firm including the use by us of other brokerage firms we determine to use for execution of client transactions possibly at a lower commission cost and that this option may be available through us.

Blocked Transactions: We may group or block orders from time to time for the same security for more than one client account in order to more effectively execute the orders. This is what is known as a “block transaction”. This process can create trading efficiencies, prompt attention to the order and improved price execution since the block transaction may be executed at various prices but averaged as to price. Therefore, clients whose transactions are part of the block transaction will receive the same average price and trading costs. Where such block transactions are not fully executed, we will seek to allocate the executed portion of the block transaction on a basis which we consider fair to our clients over time. Generally, this will mean a pro rata allocation or allocation on a rotational basis although we may, in certain circumstances, allocate purchases or sales on some other basis, after consideration of factors such as taxability of the account, cash available for investment, asset mix of the account, objectives and restrictions of the account, company and industry concentrations, broker designations specified by the client, size of the execution versus the total order size, and partial positions versus full positions.

Trade Errors: Errors in executing client transactions may occur from time to time which we will seek to correct on a timely basis so that you will not incur a loss or other costs as a result of any such errors. Any loss or costs incurred as a result of the correction of such errors will be borne by us or by your broker/custodian while any market gains result from the correction of such errors will usually be retained by your broker/custodian or by you.

In some instances, Clearstead will need to select a broker-dealer for trade execution in instances when a client’s custodian does not have an affiliated broker-dealer. For these clients Clearstead is committed to seeking the best terms reasonably available under the circumstances. In some cases, Fidelity or Schwab may need to use a non-affiliated broker-dealer to execute a trade (also known as a trade-away), which may incur an additional fee (\$10/trade) that the client is obligated to pay. In order to achieve best execution, Clearstead has established certain trading protocols and practices, which are periodically reviewed. While Clearstead is interested in minimizing fees and commissions, the selection of brokers is primarily based on the broker's ability to competitively execute trades. Other factors taken into consideration include but are not limited to the availability of or specialization in particular investment products and execution capabilities based on size of trade, liquidity and market impact. Past experience with the broker is a contributing factor; for example, Clearstead considers the number of failed trades, back-office support, and the broker's knowledge of the products offered.

In some instances, Clearstead recommends sub-advisors to manage our client's accounts for specific purposes (taxable/municipal bonds, equity managers, etc). Clearstead mandates, when possible that sub-advisors use transaction-based pricing through our preferred custodians (Fidelity or Schwab). If a sub-advisor requires transaction-based trading fees they are in addition to the sub-advisor's investment manager fee.

In rare circumstances and where appropriate, Clearstead will direct a "cross trade" of securities (including, without limitation, fixed income securities) between client accounts, whereby Clearstead arranges for one client account to purchase a security directly from another client. In such cases, Clearstead will review the price of the security from independent sources. Clearstead is not a broker-dealer and receives no compensation from a cross trade; however, the broker-dealer facilitating the cross trade will charge administrative fees to the clients' accounts, if applicable.

Clearstead will direct a cross trade when Clearstead believes that the transaction is in the best interest of the clients, that no client will be disfavored by the transaction, and that the transaction is consistent with Clearstead's duty to seek best execution.

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

Our clients' accounts are reviewed on a periodic basis by the individual portfolio manager with primary responsibility for the particular account. In addition, our Investment Committee meets weekly to monitor and revise as needed CAS's strategies, models, sector weightings and economic or market trends. Factors which may trigger more frequent reviews include change in client investment objectives or circumstances such as retirement or a large contribution or withdrawal to or from an account, significant developments or events specific to a particular security held in the account, or significant market, economic or political developments.

CAS will provide written reports concerning your account(s) with us on a periodic basis unless requested otherwise by you. These reports may include details of the date of purchase and cost basis for each security as well as market value and income yield and the current and historical performance for the account, separated by asset classes and possibly grouped with other accounts related to you. The report you receive from us may track all activity including income earned, contributions, withdrawals and capital gains. For certain clients who pay by check, this report may also include an invoice for our quarterly fee. If you are involved in a wrap fee arrangement as described in the section on Advisory Business, you may receive reports including those assets of yours for which we are providing services directly from the brokerage firm which created the wrap fee arrangement. You should also receive written reports directly from your custodian concerning your account(s) which generally contain information relating to all transactions and other account activity.

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

Clearstead has Promotor ("Solicitor") arrangements with non-supervised persons for client referrals. If a client is introduced to CAS (Clearstead) by a solicitor, Clearstead may pay that solicitor a referral fee in accordance with the requirements of the Investment Advisers Act and any state securities law regulations. Each arrangement must be in compliance with the Investment Advisers Act of 1940.

For each successful referral that becomes engaged as a CAS client, Clearstead will pay to the solicitor a fee that represents a percentage of the advisory fee that CAS charges and collects from the client. In all cases, Clearstead requires that potential clients be provided a copy of Clearstead's ADV Part 2A Brochure as well as the terms of the specific referral arrangement. Clearstead's client is not charged the cost of the solicitation. (*i.e.*, Clearstead does not increase its client's fee to cover the solicitor's fee).

Charles Schwab & Co., Inc.: Under a prior agreement, CAS previously received client referrals from Charles Schwab & Co., Inc. ("Schwab") through participation in the Schwab Advisor Network® (the "Service"). While the prior agreement is no longer in place, pursuant to the terms of our relationship with Schwab, CAS does continue to service

clients previously referred through the Service. The Service was designed to help investors find an independent investment advisor. Schwab is a brokerage firm independent of and unaffiliated with CAS. Schwab does not supervise CAS and has no responsibility for its management of clients assets or our other advice or services. Under this prior agreement, CAS paid Schwab fees to receive client referrals through the Service. Our participation in the Service may raise conflicts of interest as described below.

CAS pays Schwab a Participation Fee on all referred client accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all client accounts that are maintained at, or transferred to, another custodian. The Participation Fee is a percentage of the fees the client pays CAS or a percentage for the value of the assets in client's account, subject to a minimum Participation Fee. CAS pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is charged to CAS quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by CAS and not by client. CAS has agreed not to charge clients referred through the advisory fees or cost greater than the fees or costs CAS charges clients with similar accounts with CAS which were not referred to CAS through the Service.

CAS generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in client account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision to not maintain custody at Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees CAS generally pays in a single year. Thus, CAS will have an incentive to recommend that client's accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in client accounts which were referred by Schwab and those referred clients' family members living in the same household. Thus, CAS will have an incentive to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit our fees directly from client's account.

Clients who maintain custody of their accounts at Schwab will not be charged separately for custody but Schwab will receive compensation from clients in the form of commissions or through transaction related compensation on securities transactions executed through Schwab. Schwab also will receive a fee (generally lower than the commissions on transactions it executes) for clearance and settlement of transactions executed through brokerage firms other than Schwab. Schwab's fees for transactions executed at other brokerage firms are in addition to the other brokerage firm's fee. Thus, CAS will have an incentive to cause transactions to be executed through Schwab rather than through another brokerage firm although CAS understands it has a duty to seek best execution for clients' transactions. Transactions for client accounts maintained in custody at Schwab may be executed through a different brokerage firm than trades for other clients so transactions in accounts maintained in custody at Schwab may be executed at different times and different prices than transactions in client accounts that are executed at other brokerage firms.

Clearstead may also compensate its employees, including portfolio managers, who refer potential clients to Clearstead for services. Thus, the employee will have a financial interest in the selection of Clearstead by the client for advisory services.

## ***Item 15 Custody***

Clearstead, including CAS, is not a qualified custodian and does not maintain custody of client funds and securities. However, Clearstead is deemed to have custody of some of its client's accounts due to affiliated employees acting as trustee for client accounts, the processing of third-party checks on the behalf of clients, and its ability to directly access some client accounts to facilitate its comprehensive wealth management (e.g. trading and advisory fee deduction) and other services offered to clients. In order to satisfy the SEC custody rule, Clearstead submits itself to an annual surprise asset verification examination by an independent public accounting firm.

Clients are sent account statements on a quarterly or on a more frequent basis directly from their qualified custodians. In addition, investment clients of Clearstead typically receive quarterly investment reports. Clearstead encourages clients to carefully review and compare Clearstead's reports to their custodial statements and notify Clearstead if any discrepancies are found.

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

Clients may hire CAS to provide discretionary or non-discretionary asset management services.

Discretionary asset management means that CAS can place trades in a private client's account without contacting the client prior to each trade.

CAS's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give CAS discretionary authority when they sign a discretionary advisory agreement with CAS and may limit this authority through written instructions. Clients may also change/amend such limitations by once again providing CAS with written instructions.

Non-discretionary asset management means that CAS provides investment recommendations for a client's portfolio, but CAS will not execute any trades in the client's account without the client's consent.

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

As a matter of policy, CAS does not vote client securities (i.e., proxies). Clients can choose to receive their proxies or other solicitations directly from their custodian or utilize a third-party proxy voting vendor. However, clients can contact CAS with questions about a particular proxy matter.

For clients interested in Clearstead coordinating their proxy voting, Clearstead utilizes Broadridge Proxy Edge. This service allows Clearstead to manage client voting restrictions and final vote decisions while outsourcing the processing and management to Broadridge. Broadridge receives clients' proxy ballots, works with custodian brokerages and banks, executes votes on clients' behalf, and maintains comprehensive voting records.

### ***Item 18 Financial Information***

As an Advisory firm that maintains discretionary authority for client accounts, Clearstead, including CAS, is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Clearstead, including CAS, has no additional financial circumstances to report.

CAS does not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, Clearstead or CAS is not required to include a financial statement.

Clearstead, including CAS, has not been the subject of a bankruptcy petition at any time during the past ten years.