

# Orion Portfolio Solutions

## Legacy Wrap Programs Appendix 1 of Form ADV Part 2A The Wrap Brochure

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Orion Portfolio Solutions, LLC ("OPS", "we," "us," or "our") is an investment advisor that is registered with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and certain business practices of OPS in connection with its wealth management platform offering, referred herein as the OPS Legacy Wrap Program. For more information about the brochure and the type of information that is required to be disclosed, see the "General Instructions for Part 2 of Form ADV" by visiting <https://www.sec.gov/rules/final/2010/ia-3060.pdf>. If you have any questions about the contents of this brochure, please contact us at 800-379-2513 or 859-426-2000. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

Additional information about OPS is also available on the SEC's website at: <https://adviserinfo.sec.gov/>.

**Updated: March 31, 2023**

**Item 2 - Material Changes**

This Brochure is dated March 31, 2023. Our last annual filing was on March 31, 2022. Since our last update on December 31, 2022, the following updates were made:

- Updated Fees and Compensation to reflect certain changes regarding Administration fee and Custody and Trading.
- Updated Additional Information to reflect the affiliate TownSquare Capital LLC serves as a sub-advisor to Orion Portfolio Solutions, LLC.

**Item 3 - Table of Contents**

Item 2 - Material Changes ..... 2  
Item 3 - Table of Contents ..... 3  
Item 4 - Services, Fees and Compensation..... 4  
Item 5 - Account Requirements and Types of Clients ..... 12  
Item 6 - Portfolio Manager Selection and Evaluation ..... 13  
Item 7 - Client Information Provided to Strategists ..... 15  
Item 8 - Client Contact with the Strategists..... 15  
Item 9 - Additional Information..... 15

## **Item 4 - Services, Fees and Compensation**

### **Background**

Orion Portfolio Solutions, LLC, is a subsidiary of Orion Advisor Solutions, Inc. ("Orion"). Prior to December 31, 2022, each of Orion Portfolio Solutions, LLC (formerly known as "FTJ FundChoice") and Brinker Capital Investments, LLC (successor to CLS Investments, LLC) were separate affiliated subsidiaries of Orion. Investment entities controlled and managed by Genstar Capital Partners LLC and TA Associates, L.P. and its affiliates own a majority interest of Orion and each of its subsidiaries, including OPS.

On December 31, 2022, Orion Portfolio Solutions, LLC was merged with and into its affiliate, Brinker Capital Investments, LLC and Brinker Capital Investments, LLC was legally renamed to Orion Portfolio Solutions, LLC (the "Reorganization"). This internal Reorganization transaction did not result in a change of control or otherwise change any of the services being provided to customers.

### **Overview of Our Advisory Services**

The wrap fee program (the "Program") described in this brochure is offered through investment advisor representatives ("IAR" or "IARs") affiliated with registered investment advisory firms ("Investment Advisor" or "Investment Advisors"). To participate in the program, the client will enter into an Application and a Terms of Services and Use Agreement that outlines the services to be performed by the Investment Advisor, the authority of the Investment Advisor and the client over transactions in the client's account, the compensation to be paid by the client, and other important provisions governing participation in the Program. It is the responsibility of the Investment Advisor to evaluate the client's investment needs and objectives, as well as consult with the client to determine suitability of the various investment options provided in the Program.

A wrap fee program is an investment advisory program in which you pay one fee for both investment advisory services and transaction costs in your account. The wrap fee is not based directly upon the actual transaction or execution costs for the transactions within your account. Under a typical wrap fee program, you pay a higher advisory fee and transaction costs are billed to your advisor. In this scenario, your advisor has a financial incentive not to place transaction orders in those accounts since doing so increases their transaction costs. However, under OPS's agreement with the custodians who maintain your account, OPS is charged an asset-based fee. OPS is not charged individual transaction fees. Accordingly, the fee paid by OPS for transaction costs is not dependent on how frequently we trade your account.

You may receive comparable services from other broker-dealers or investment advisers and pay fees that are higher or lower than those charged under the Program. Fees may be more or less than you would have paid if the services (account management, custody, and brokerage transactions) were purchased separately outside of the wrap fee program.

The Program offers the following investment options: a Stock/ETF Strategist Program or Separately Managed Account Program.

### **Stock/ETF Strategist Program**

OPS provides a fee-based platform for Investment Advisors to develop their own model portfolios or utilize OPS's selected institutional portfolio strategists (the "Stock/ETF Strategist Program"). For the Stock/ETF Strategist Program, we retain third-party investment managers that, with the exception of Brinker Capital Investments, LLC ("Brinker Capital") are not affiliated with OPS ("Strategists"), to design and manage model

portfolios that Investment Advisors utilize to manage client assets. Our Stock/ETF Strategist Program provides access to asset allocation models developed by OPS or the Strategists, we refer to such assets allocation models as "Strategist Models".

We engage Strategists to develop and manage Strategists Models, and the Strategists determine which investments to include in the Strategists Models. The Strategist will periodically adjust and rebalance the Strategist Model investments to remain consistent with their investment strategies. In the Stock/ETF Strategist Program, the Strategists are not acting as your investment advisor and do not possess knowledge of your individual information or investment goals and objectives. Further, the Strategists do not provide personalized investment advice to you. You remain the owner of all securities held in your Strategist Model account and have all ownership rights associated with these securities. Any modification to the Strategists Models by the Strategists are conducted through the sale and purchase of securities in your account, which may create tax ramifications for you. Visit [orionportfoliosolutions.com/strategists](http://orionportfoliosolutions.com/strategists) to review the investment managers we have engaged as Strategists.

We make available Strategist Models of various risk profiles and creates and manages the models using investments available through our platform. It is up to you and your Investment Advisor to select the most appropriate Strategist Model offered by our Stock/ETF Strategist Program. You can elect to utilize multiple Strategist Models within a single custodial account, where each Strategist Model allocation is assigned to a unique subaccount or "sleeve". This structure is known as a unified managed account ("UMA"). Your account will be invested in accordance with the Strategist Model you select with your Investment Advisor. Once you and your Investment Advisor have selected a Strategist Model, we will provide trading, reporting and administrative services. When a Strategist suggests a transaction in any Strategist Model, we have the authority to conduct trading activity to reflect the transaction in your account, as outlined in the Terms of Services and Use Agreement. Please read that document carefully, as it contains important information on how your account will be managed. When opening an account with us, you will be required to consent to that agreement.

If a Strategist or Strategists Model is removed from the Program, OPS will notify your Investment Advisor of the change and request that action be taken to reassign the account by a specified date. If no action is taken by you or your Investment Advisor, OPS reserves the right to map your account to an alternative Strategists Model. No action on the part of the Investment Advisor is considered consent to the recommended alternative Strategists Model.

To the extent you or your Investment Advisor place any restrictions or reject any changes to the Strategist Model, your account will no longer be managed in accordance with the Strategist Model, and it will be you or your Investment Advisor's responsibility to manage the account in a different manner. In such cases, you will no longer be charged the Strategist Fee.

If you or your Investment Advisor decide that the Strategist Model no longer meets your investment needs, the account can be reassigned to a cash model or another type of Strategist Model. If you or your Investment Advisor want to reassign your holdings to an alternative Strategist Model, the trades will be included in the next trade file after the request has been received.

With the exception of our proprietary Strategist Models, we are not affiliated with any other Strategists within the Strategist Program. However, certain Strategists will share fees with us as discussed below in *Program Portfolio Fees*. These fees are negotiated between us and the Strategist. Given this arrangement we have an incentive to continue to make available Strategists that share fees with us. OPS addresses these conflicts of interest by the application of its policies and procedures related to the selection and oversight of Strategists and disclosure of the fee receipt and affiliation through this Brochure. Furthermore,

Investment Advisors, which are not affiliated with OPS, are responsible for working with you to select the most appropriate Strategist. Investment Advisors are able to utilize any Strategist made available as part of the Strategist Program.

### **Trading – Stock/ETF Strategist Program**

Trading will occur through the brokerage account you establish with the custodian. Strategists will provide OPS with instructions to rebalance or reallocate the Strategist Models depending on their asset allocation philosophy or investment manager selection process. The adjustments to the asset allocations will result in transactions in your account. A minimum amount of five dollars per security is required on contributions and rebalance trades, and all Strategist Model allocations must contain a minimum 1% allocation to cash. For distributions, positions are redeemed pro-rata unless otherwise specified. All stock and exchange-traded fund (“ETF”) trades are grouped and blocked by Strategist and allocated by block on a pro-rata basis. This includes rebalances as well as reassignment into or out of a Strategist Model. Although stocks and ETFs held in Strategist Models may be traded throughout the day at market prices, the last trade file will be sent to the custodian at or around 3 pm Eastern time. You or your Investment Advisor shall instruct OPS that your account will be invested in accordance with the Strategist Model as indicated on the New Account Application, Investment Direction Addendum, or other relevant OPS form and/or reassignment process. If the Strategist Model changes, OPS will rebalance your account to align with the selected Strategist Model. Your Investment Advisor or you may instruct OPS to terminate the use of the Strategist Models at any time. You will receive notification of all transactions in your account in the form of an account statement provided by the custodian. OPS has policies and procedures in place to monitor best execution practices at the custodian. OPS will direct all trade execution to the custodian unless otherwise directed by the client. With respect to accounts within the Stock/ETF Strategist Program, it may be impractical to execute transactions in a single day in response to a Strategist Model change; you also instruct, authorize and direct that such accounts be traded in accordance with instructions on timing and price levels given by OPS to the custodian. All stock and ETF dividends will be paid to cash unless specifically requested.

For Strategist Program strategies that invest in mutual funds, the custodians utilized by OPS charge OPS an asset based fee when clients invest in certain share classes. These share classes are known as transaction fee (“TF”) mutual funds. Absent the asset based fee paid by OPS, you would be charged a transaction fee typically ranging from \$25 to \$75 for each purchase of shares of a TF mutual fund. Because OPS is charged a fee for using certain share classes, OPS has a conflict when determining which share class to utilize in a Strategist Program. To mitigate this conflict, OPS’s policy is to use the cheapest share class that is available at all custodians where the strategy is available (regardless of whether OPS has to pay an asset based fee to the custodian). When selecting mutual funds and mutual fund share classes, OPS will not utilize mutual funds or mutual fund share classes that have short term redemption fees or minimum investment requirements. For any mutual fund used in a strategy, it is possible that certain custodians may make available a cheaper share classes than the share classes used by OPS (because OPS uses the cheapest share class available at all custodians that OPS uses). If you invested in the same mutual fund directly at your custodian or if you used an advisory program from another adviser, you may be eligible for a cheaper share class. However, because some of the cheaper share classes are TF mutual funds, it is possible that you would incur transaction fees.

### **Separately Managed Account Program**

The Separately Managed Account (“SMA”) Program is managed by Strategists we have selected. Investment Advisors are responsible for assisting clients in selecting the SMA Strategist and completing a suitability review. The SMA Strategists direct clients’ investments in individual securities accordingly. Similar

to the Stock/ETF Strategist Program, you remain the owner of all securities held in your SMA with all associated ownership rights.

You and your Investment Advisor will select the SMA Strategist based on your risk profile and investment objective(s), and the SMA Strategists will manage your account accordingly using various investment options and strategies. You will receive, or have received, the Form ADV Part 2A of any SMA Strategist selected by you and your Investment Advisor. It is recommended that you review that document carefully.

In the event a Strategist is removed from the SMA Program, OPS will notify your Investment Advisor of the change and request that action be taken to reassign the account by a specified date. If no action is taken by you or your Investment Advisor, OPS reserves the right to map your account to an alternative Strategist Model. No action on the part of the Investment Advisor is considered consent to the recommended alternative Strategist Model.

### **Trading – SMA Program**

Strategists in the SMA Program have discretionary authority to buy, sell, or otherwise effect transactions in stocks, options, bonds, mutual funds, exchange traded funds, and any other securities in the brokerage account. You will receive notification of all transactions in your account in the form of an account statement provided by the custodian. Strategists or OPS will submit trade instructions directly to the custodian, though Strategists may choose to execute trades through brokers or dealers other than the Custodian. This shall not obligate the Strategist to solicit competitive bids for each transaction or to seek the lowest commission cost available, as long as the Strategist reasonably believes the broker or dealer selected on the particular transaction can be expected to obtain a "best execution" market price and determines in good faith that the cost is reasonable relative to the value of the brokerage services provided by the broker to the Strategist, as may be consistent with applicable rules promulgated by the SEC. In particular, the Strategist may, in accordance with Section 28(e) of the Securities Exchange Act of 1934, cause brokers executing transactions to be paid commissions in excess of those another broker or dealer might charge, after determining in good faith that such amount of commission is reasonable in relation to the value of the services provided to the Strategist by broker. It is also understood that the Strategist may combine transactions with those of other clients and may request the broker executing such transactions record the price as the average of the prices at which the broker executes such transactions.

SMA Program Strategist have the authority to effect transactions through broker-dealers other than the custodian for the account, when the SMA Program Strategist reasonably believes that another broker-dealer may effect such transactions at a price, including any commissions or dealer mark-up or mark-down, that is more favorable to the account than would be the case if transacted through the custodian. In addition, even if the price is not more favorable, for the selection of such broker-dealer, the SMA Program Strategist may consider all relevant factors, including execution capabilities, speed, efficiency, confidentiality, familiarity with potential purchasers or sellers, or any other relevant matters. We refer to trades in which the custodian is not the executing broker as "step-out trade(s)." If a client's SMA Program Strategist trades with another firm, the account may be assessed other trading related costs (mark-ups, mark-downs and commissions) by the other broker-dealer. In addition, the custodian charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the SMA Program Strategist has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. The costs of the executing broker and any trade away fees imposed by the custodian are in addition to the OPS and SMA Program Strategist fees. For this reason, a SMA Program Strategist may find that placing trades with the custodian is often the most favorable trading option for a client.

For the SMA Program, we expect that most transactions will be traded through the custodian. However, certain SMA Program Strategists will direct most, if not all, of their trades to outside broker-dealers. Since the fees paid to the custodian for their clearing and custody services only cover transactions effected through the custodian, transactions through any other broker-dealer would normally include an add-on cost of the commission or the dealer mark-up or mark-down and these additional trading costs may increase a client's overall costs.

We take into account the fact that transaction costs on trades effected through brokers other than the designated custodian are not included in the SMA Program fee in evaluating whether the designated custodian is providing best execution. The fees charged through the SMA Program will not necessarily be as favorable as those which might be obtained through another investment adviser that authorizes a SMA Program Strategist to select brokerage firms and that bills the client separately for execution, clearing and custody services and investment advisory services.

### **ERISA Accounts**

OPS does not currently offer the wrap fee program to ERISA covered retirement plans.

### **Program Portfolio Fees**

Fees for our services include Administration Fees, Account Maintenance Fees, Termination Fees, and Strategist Fees. Fees will be deducted from your account monthly or quarterly in arrears or in advance as documented in your agreement with us. Unless indicated below, fees are based on the average daily account balance ("ADB") for the previous month. If your account was not open for the entire month, then the fee will be prorated.

You should carefully review all fees charged by us, your Investment Advisor, and any funds you are invested in to fully understand the total amount of fees that are paid. It is your responsibility to verify the accuracy of the fee we charge to your account. The fee we collect will appear on your custodial statement, though the custodian does not determine whether the fee has been properly calculated. In addition, a fee summary is available to you through our website. Fees charged by us are separate and distinct from fees and expenses charged by your Investment Advisor, mutual funds or ETFs traded within the Strategist Models, or a Strategist providing a Strategist Model. A description of mutual fund or ETF fees and expenses are available in each fund's prospectus. As explained in "Trading" above, OPS uses the cheapest share class that is available at all custodians where the strategy is available. Therefore, it is possible that a particular custodian may offer a cheaper share class but it will not be used in the strategy because not all of the other custodians offer that share class for the strategy.

Our service may be terminated by either party in accordance with the Terms of Services and Use Agreement. You are responsible to pay for services rendered until the termination of the agreement.

The fees listed below are our standard rates. Fees may vary by custodian. Fees are also negotiable. For certain Investment Advisors we offer some or all of their clients discounted fees based on the amount of assets an individual client or the Investment Advisor has on our platform, the efficiencies gained by managing multiple clients for the same Investment Advisor, and our relationship with the Investment Advisor. Please refer to your account application for the exact fees you will be charged.



## **Administration Fee**

You will pay an annual Administration Fee to us for providing our reporting and accounting services. For accounts opened after September 1, 2022 the tiered annual Administration Fee schedule, unless a different arrangement has been mutually agreed upon, is shown in the following table:

<b>From</b>	<b>To</b>	<b>%*</b>
\$0.00	\$100,000.00	0.35%
\$100,000.01	\$250,000.00	0.30%
\$250,000.01	\$1000,000.00	0.20%
Over \$1,000,000.00		0.10%

\*This pricing increases by 5 basis points at each level if the account is opened at Fidelity. This fee is billed monthly and in arrears based on the household's average daily balance each month.

**Annual Sleeve Minimum Fee** – A annual fixed-dollar fee of \$75 will be charged for each account or sleeve used in a client household for households that are less than \$100,000. This fee is billed monthly (\$6.25) in arrears and tested against the household's average daily balance each month.

To calculate the Administration Fee, all accounts in your household are aggregated and we apply that aggregate balance of accounts to the Administration Fee Schedule, as well as any Investment Advisor breakpoint or tiered schedule. A household is defined as all custodian accounts at the same residential address. The aggregation of your household accounts may reduce the total Administration Fee you pay to us.

We distribute a portion of the Administration Fee to certain Investment Advisors who have significant assets invested in our platform or for other reasons, at the discretion of OPS. The amount of any distribution is individually negotiated with each Investment Advisor. Any Administration Fee distributed to an Investment Advisor is retained by that Investment Advisor and does not constitute a reduction in the Administration Fee for you.

## **Termination Fee**

The current Termination Fee is \$75 per account for full outgoing distributions or non-ACAT transfers. The Termination Fee may be discounted for Investment Advisors who have a significant amount of assets invested on our platform. Any discount is individually negotiated with each Investment Advisor at our discretion.

## **Strategist Fee**

Strategist Fees vary and are in addition to the Administration Fees charged by us and the fees charged by your Investment Advisor. Strategist Fees are billed and collected in the same manner as the Administration Fee. Please refer to your account application for the applicable Strategist Fees. In some instances, we will retain all or part of the Strategist Fee as an administration fee charged to the Strategist. For mutual fund and ETF Strategist Models, OPS may retain up to 0.02%. For Equity Models, OPS may retain up to 0.05%. The Strategist may also elect to pay us these fees directly from their own funds and not from the Strategist Fee...

We retain the following amounts from the Strategists listed below in lieu of the fees referenced above, regardless of Strategist Model type:

- American Funds – OPS retains up to 0.10%.
- Appleton Partners – OPS retains up to 0.05%.
- Clark Capital – OPS retains up to 0.10%.
- Fidelity Investments – OPS retains up to 0.05%.
- Russell Investments – OPS retains up to 0.10%

The entire Strategist Fee charged by certain Strategists is retained by OPS. If this applies to the strategy you select it will be disclosed on the Application Addendum. In addition, some Strategists select affiliated mutual funds when developing their Strategist Model. Certain of these Strategists share a portion of the fees they collect from mutual funds they manage with us. Below are the Strategists who share these fees with us:

- Advanced Asset Management Advisors
- Buckingham Strategic Partners
- First Trust
- Main Management
- Meeder Investment Management
- Ocean Park Asset Management
- PIMCO
- Symmetry Partners
- Toews Corporation

Finally, OPS has entered into agreements with BlackRock, American Funds, Janus Henderson, Northern Trust and State Street Global Advisors, under which these Strategists pay OPS a fee for, among other services, marketing and support with respect to the Strategist Program. These fee sharing arrangements vary and create a conflict of interest since we have an incentive to continue to recommend these Strategists for the Strategist Program. Additionally, Strategists may refer or recommend their clients to invest via our platform. This arrangement creates an incentive for us to keep these Strategists over others that we may be considering. To mitigate these conflicts, our Investment Committee does not take revenue sharing payments into account when determining whether to retain Strategists. Finally, the Strategist Fee may be discounted for Investment Advisors who have a significant amount of assets invested on our platform. The amount of the discount is individually negotiated with each Investment Advisor at our discretion.

### **Advisory Fees**

Your Investment Advisor will charge an Advisory Fee for the services they provide. OPS does not receive any portion of the Advisory Fee as it relates to your account. Your Advisory Fee will be authorized by you during the account opening process and may only be increased by your written approval. Based on the schedule of Advisory Fees provided to OPS, OPS will calculate and deduct the Advisory Fees from your account in the manner specified in the OPS Terms of Services and Use Agreement. You should review the fees charged by your Investment Advisor which are outlined in your Investment Advisor's Form ADV Part 2A. Fees paid to your Investment Advisor are in addition to any fees charged by us.

### **Mutual Fund and ETF Expenses**

Mutual funds and ETFs held in your account impose internal administrative charges, fees or expenses, which may include management and administrative fees, 12b-1 fees and related servicing or marketing expenses, sub-transfer agent fees, deferred sales charges and other fees or expenses.

Some of these fees may not be billed to you directly but could impact the returns on individual mutual funds or ETFs held in your Strategist Model account. Please consult the applicable prospectus or statement of additional information relating to your investments for more information.

### **Cost of Program Compared to Separate Purchase of Services**

If the investment advisory services, brokerage, and custody services are paid separately, it is possible that independently the cost of those services may be less than the fees you pay for the Program. We urge you to evaluate the costs relative to your unique personal circumstance.

### **Fees for Additional Services**

The fees discussed above do not cover certain charges associated with securities transactions in clients' accounts, including: (a) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (b) costs relating to trading in certain foreign securities; (c) the internal charges and fees that may be imposed by any funds, (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses); (d) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; and (e) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law. Further information regarding charges and fees assessed by funds may be found in the appropriate prospectus or offering document.

We also charge miscellaneous fees associated with administrative services, such as processing wire or ACH transfers, check fees, low balance fees, asset transfers, or overnighting checks. Contact us for a list of these fees.

### **Payments to Financial Professionals and Firms**

Your Investment Advisor may receive compensation as a result of your participation in the Program. In addition, based on the economic relationship between OPS and your Investment Advisor, your Investment Advisor may receive certain marketing allowances or a portion of the program fee we collect from you. Since the compensation your Investment Advisor receives may be more than what they received in another program or purchasing these services separately, your Investment Advisor may have a financial incentive to offer this Program over others.

### **Custody Services**

Custodian services will be provided by an independent qualified custodian. The investments in each Strategist Model for non-qualified accounts may be held in either a separate brokerage account or a UMA brokerage account with sleeves at your custodian. The custodian typically receives a shareholder servicing fee from the load-waived mutual funds held by the client accounts. This compensation ranges from 0.0% to 0.40% per annum of the amount invested through the Strategist Program in mutual funds.

OPS provides the custodian certain services in respect to custody arrangements. As such, the custodian will reimburse OPS for certain costs associated with the Program. The custodian will send statements directly to you no less than quarterly. You should carefully review and compare these statements to any account information provided by us or your Investment Advisor.

OPS reserves the right to pass on to you clearing related fees and other charges imposed by the custodian in connection with your account.

OPS participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC. TD Ameritrade is an independent SEC-registered broker-dealer. TD Ameritrade offers services to OPS, which include custody of securities, trade execution, and clearance and settlement of transactions. OPS receives some benefits from TD Ameritrade through its participation in the TD Ameritrade Institutional program. Please refer to the TDA Institutional Maximum Fee, Commissions and Limits at <https://www.orionportfoliosolutions.com/> for the most current list of fees.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [schwab.com/aspicingguide](http://schwab.com/aspicingguide).

OPS is not affiliated with TD Ameritrade or Schwab.

## **Item 5 - Account Requirements and Types of Clients**

### **Minimum Account Size**

Stock/ETF Strategist Program accounts may be comprised of stocks, ETFs, mutual funds, and cash and are subject to a \$25,000 minimum account size per sleeve.

SMA may be comprised of any security type and are subject to account minimums as specified by each SMA Program Strategist.

### **Types of Clients**

OPS makes this program available to individuals, high net-worth individuals, corporations and other business entities, trusts, foundations, and endowments. This program is not available to qualified retirement plan clients including 401k, 457, and 403(b) plans.

### **Funding Your Account**

You have four choices to fund your account:

1. Check

2. ACH (Automated Clearing House)
3. ACAT (Automated Customer Account Transfer Service)
4. Wire Transfer

Once the custodian receives your funds, you will not be able to withdraw new deposits from your account for seven business days to provide for proper check clearance. If you select ACAT as your funding choice, your assets at the previous custodian will be "transferred in-kind". Consult your Investment Advisor prior to an ACAT transfer regarding permissible assets.

### **Withdrawal from the Program**

You may terminate the Program at any time by providing written notice to us. We require that you have an Investment Advisor to participate in the Program. If you are unable to find a replacement, OPS has the right to terminate your participation in the Program.

### **Trade Error Policy**

We have internal controls for the prevention of trade or Strategist Model allocation errors, however, on occasion, errors may occur. We recommend that you regularly review your custodial statements. In the event you identify an error, you have 45 days from your statement date to notify us of its existence. Upon notification, we will perform an analysis of the reported discrepancy. If OPS is responsible for the error, we will seek to correct the error in a way that returns your account to where it would have been had the error not occurred. In the event an error results in a gain, OPS or your custodian will retain such gains. If you notify us of a potential error more than 45 days after your statement date and OPS is responsible for the error, OPS will reimburse you for any damage caused to your account from the date of the error through 45 days after your statement date.

We will maintain a record of identified errors, including details of the original transaction and the corrective actions.

## **Item 6 - Portfolio Manager Selection and Evaluation**

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

We utilize specific qualitative and quantitative screening criteria to identify appropriate Strategists for the Program. The quantitative review focuses on the performance and track record of the Strategist as compared against benchmarks. Our qualitative analysis reviews information surrounding the operations of the Strategists, including history, experience, firm size and structure, investment analysis and decision-making process, and portfolio risk review. Qualitative screening includes a review of each Strategist's organizational history and stability including: depth/experience of investment team and research group, investment process and strategy, internal resource allocation, legitimacy of track record, experience with taxable clients, client servicing capabilities, relationship with OPS, and other characteristics.

Each Strategist is reviewed and analyzed in detail by the OPS Investment Committee. On at least an annual basis, the Investment Committee will review the performance of each Strategist Model along with any organizational changes that may have occurred during the year.

As mentioned above, in addition to third-party Strategist Models, OPS makes available certain strategies that are managed by us. We offer the MCAM Portfolios which are portfolios managed by OPS and composed of Strategist funds or Models. We also make available certain direct indexing strategies, which replicate

broad market indexes through the direct purchase of individual securities – rather than purchasing the index itself. These strategies seek to replicate the performance of the target index and create tax alpha by harvesting tax losses to offset taxes on capital gains elsewhere.

To monitor Strategists and manage the OPS strategies, we utilize a proprietary risk scoring methodology. This tool assists Investment Advisors in developing and selecting Strategist Models by assigning a risk score to each Strategist Model on the OPS platform. The tool also defines each Strategist Model according to their investment style or mandate.

As your Investment Advisor determines the Strategist model to utilize based on your investment needs, you should consult your Investment Advisor's Form ADV Part 2A for a full description of their investment analysis to determine how the Strategist Model selected best suits your investment needs and risk tolerance.

### **Risk of Loss**

The description contained herein is an overview of the risks entailed in our Stock/ETF Strategist Program and is not intended to be complete. All investing involves a risk of loss and the Strategist program could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

**Investing in securities is inherently risky.** An investment in mutual funds, exchange-traded funds, or stocks could lose money. OPS and the Strategists cannot give any guarantee that they will achieve their investment objectives or that any client will receive a return of its investment. Although money market funds are considered low risk, they are affected by other types of risk, mainly interest-rate risk and inflation risk. The underlying value of the instruments within the money market fund may change depending on the direction of interest rates.

***Alternative investment mutual funds are speculative and involve substantial risks. It is possible that investors may lose some or all of their investment. Please review the mutual fund prospectus for the risks associated with each alternative mutual fund that you are considering for investment in a Strategist Model.***

**No Guarantees.** The value of your investment could decline and be worth less than the principal initially invested. And while a money market fund seeks a stable share price, its yield fluctuates. In addition, mutual funds are not insured or guaranteed by an agency of the U.S. government. Bond funds, unlike purchasing a bond directly, will not re-pay the principal at a set point in time.

The Stock/ETF Strategist Program generates multiple levels of fees and expenses. By investing through the Stock/ETF Strategist Program, the investor bears fees charged at different levels as described under *Fees and Compensation*. Thus, investors will be subject to higher operating expenses than if he or she invested in the same funds directly.

### **Performance-Based Fees and Side-by-Side Management**

Performance based fees are based on a share of capital gains on, or capital appreciation of, the assets of a client. An advisor charging performance fees to some accounts face a variety of conflicts because the advisor can potentially receive greater fees from its accounts having a performance based compensation structure than from those accounts it charges a fee unrelated to performance (*e.g.*, an asset-based fee). As a result, the advisor may have an incentive to direct the best investment approach, or to allocate or

sequence trades in favor of the account that pays a performance fee. OPS does not charge performance based fees.

### **Proxy Voting**

We will not exercise proxy voting authority. The obligation to vote proxies shall at all-times rest with you. Our Custodial Partner will send all proxy information directly to you. You should contact your Investment Advisor if you have questions about voting proxies.

### **Item 7 - Client Information Provided to Strategists**

Except as specified in the description of the SMA Program, although the Strategists remain responsible for managing the Strategist Models, they are not provided your individual information or investment goals and objectives, and do not have a direct relationship with you.

### **Item 8 - Client Contact with the Strategists**

Any questions regarding the management of the Strategist Models or your account should be directed to your Investment Advisor, or our Customer Service Representatives at 800.379.2513.

### **Item 9 - Additional Information**

#### **Disciplinary Information**

OPS, including all employees, has not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

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

OPS is a subsidiary of Orion Advisor Solutions, Inc. ("Orion"). Orion also has the following affiliates: Advizr, Inc., Orion Advisor Technology, LLC ("OAT"), Constellation Trust Company, Brinker Capital Securities, LLC ("BCS"), TownSquare Capital LLC, Orion Compliance (formerly BasisCode Compliance LLC) and GxWorks LLC dba Orion Risk Intelligence (formerly HiddenLevers), and Redtail Technology, Inc.. Our executive officers also serve as officers and directors of the other Orion affiliates.

#### **Broker-Dealer Registrations**

Brinker Capital Securities, LLC. is a registered broker-dealer and an affiliate of Brinker. Brinker Capital Securities, LLC. acts as introducing broker under a clearing agreement with National Financial Services, LLC ("NFS") for all accounts custodied at NFS other than those introduced by Fidelity Brokerage Services, LLC, an NFS affiliated broker-dealer, or clients in the MMLIS Brinker co-advisory program for whom MMLIS serves as the introducing broker.

#### **Constellation Trust Company ("CTC")**

CTC is a Nebraska chartered trust company and an affiliate of ours. Some of our executive officers also serve as officers and directors of CTC. CTC's custodial services facilitate clients who desire a third-party investment adviser such as us to manage their account(s). We recommend CTC, among other custodians, to our clients. CTC has established electronic interfaces and capabilities necessary to maintain and

aggregate custodial records and reporting for clients invested across various investment platforms. We have entered into an arrangement with CTC to waive the annual custodial fee for our clients. All other custodial fees and charges of CTC are set forth in the CTC custodial agreement. Trades for client accounts custodied at CTC are affected via the National Securities Clearing Corporation through arrangements with third parties including Matrix Settlement and Clearance Services, LLC ("Matrix") and TD Ameritrade, Inc. The Affiliated Funds and other mutual funds held by our clients with assets custodied at CTC pay shareholder servicing fees to CTC for distribution and/or shareholder servicing related assistance associated with making a client's investments in such funds. As discussed above in Item 5, when selecting share classes for accounts held at CTC or any other custodian, Brinker selects the most appropriate share class for you and does not take into consideration any fees paid by the mutual fund to CTC or any other custodian.

**Orion Advisor Technology, LLC ("OAT"), Advizr Inc., and GxWorks, LLC dba Orion Risk Intelligence (formerly HiddenLevers)**

We utilize the back-office system provided by OAT for trade processing, account management, and performance reporting. We also make available to you financial planning tools from Advizr and risk analytics tools from Orion Risk Intelligence and partners with OAT in providing services to registered investment advisors. OPS believes that the utilization of OAT, Advizr and Orion Risk Intelligence do not create a conflict of interest.

**Focus Orion Solutions**

Focus Orion Solutions, LLC is a joint venture between OAT and Focus Financial Partners Inc., which offers an array of cash and credit solutions and related services developed by Focus Client Solutions ("FCS") through the OAT WealthTech platform. OAT will receive a fee for referring clients to FCS. Financial advisors that utilize Brinker have access to FCS's financial institution partners that offer the lending- and deposit-related products listed below (collectively, the "Financial Products"). In each case, access to the Financial Products is made available to a financial advisor so that the financial advisor may identify one or more selected banking institutions that can offer to financial advisor's clients certain Financial Products desired by those clients. Such Financial Products currently consist of the following:

- a. **Mortgage Loans**—Loans relating to residential purchases, refinancing, HELOC, and construction loans;
- b. **Working Capital**—Corporate, commercial, and business working capital, expansion and acquisition lines of credit and loans;
- c. **Commercial Real Estate**—Commercial real estate, multifamily and other owned occupied properties;
- d. **Securities Backed Lines of Credit (SBLOC)**—Automated and highly competitively priced non-purpose securities backed lines along with lines secured by selective private and alternative investments;
- e. **Specialty Lending**—Premium financing, fund call and operating lines of credit, along with others;
- f. **Watercraft and Aircraft Lending**—New and used watercraft and/or aircraft purchases and refinancing; and
- g. **FDIC Insured Deposit Program**—In-portfolio cash balances, held away debit/transactional cash and outside client cash savings with \$2 to \$100 million of insurance per tax ID.

**BasisCode Compliance dba Orion Compliance**



Orion Compliance (formerly BasisCode) is an end-to-end compliance management solution owned by Orion, built upon an always audit-ready reporting infrastructure. The cloud-based software platform provides core compliance functions and personal trading and insider trading solutions for firms with mobile accessibility. Orion Compliance combines the core data available through Orion with the analytics available through Orion Compliance and Orion Risk Intelligence (formerly HiddenLevers), to help new tools for the advisor communities.

### **TownSquare Capital, LLC (TownSquare)**

TownSquare is an investment adviser registered with the SEC. TownSquare provides a fee-based investment platform that allows investment advisors the ability to enhance their current investment program or utilize models provided by institutional portfolio strategists. OPS has a sub-advisory agreement in place with TownSquare to manage products available on our platform. Due to the fact that TownSquare is an affiliate, OPS has an incentive to utilize TownSquare as a sub-advisor.

OPS employees perform certain operational services for certain of TownSquare's advisory clients, such as trading and fee billing. For performing these services, we receive a portion of TownSquare's advisory fee.

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

We have adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code establishes rules of conduct for all of our employees and is designed to, among other things, govern personal securities trading activities in the accounts of our employees. The Code contains general ethical principles and personal securities reporting provisions for our employees. In summary, the Code prohibits our employees from taking inappropriate advantage of their positions and the access to information concerning the investments or our investment intentions for our clients, or our ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of our clients. A copy of the Code is available upon request by contacting us at (859) 426-2000.

We and our employees occasionally buy or sell securities identical to those recommended to you. It is our express policy that any person employed by us is prohibited from profiting at the expense of our clients and from competing with our clients.

The Code and other procedures adopted by us contain the following provisions to handle conflicts of interest:

1. We maintain records of all securities holdings for our clients, our self, our employees and affiliated parties. These holdings are reviewed on a regular basis by our compliance personnel.
2. No individual shall cause or attempt to cause any of our clients to purchase, sell or hold any interest in a security in a manner calculated to create any personal benefit or benefit any employee account. None of our officers or employees shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry.
3. Each of our employees submits quarterly reports and acknowledges the firm's policies and procedures with respect to the Code on an annual basis.
4. Each employee's personal trading accounts are reviewed on a regular basis by compliance personnel.

5. Any employee not in observance of the above will be subject to disciplinary action, and possible termination.

### **Review of Accounts**

Strategist portfolios are subject to quantitative and qualitative reviews initially, and periodically thereafter by our Investment Committee. It is you or your Investment Advisor's responsibility to review your account. Please review your Investment Advisor's Form ADV Part 2A to understand their review process over your account.

We make quarterly performance evaluations available to you that describe your current investment information. We use this information as the primary reference for managing your account. If your goals or investment objectives have changed, you are instructed to promptly notify your Investment Advisor. If the information is current, no further action is required. You also have access to your account information at all times via our website where you can view important information regarding the management of your account.

Account reviews are facilitated through an arrangement with OAT, one of our affiliates. We have engaged OAT to provide a "back office" system which enables us to gather and aggregate client data from multiple platforms and providers, maintain portfolio models, review models and accounts for variances, analyze account performance, generate quarterly statements and other reports, facilitate the trading of client accounts and make information available on-line via the internet, in a secure manner, to you and your Investment Advisor.

### **Client Referrals and Other Compensation**

We receive compensation for client referrals to Investment Advisors. In order for us to receive compensation for the referral the potential client must engage the Investment Advisor. OPS receives a percentage of the Investment Advisor's fee. Information about this relationship is disclosed to the referred clients prior to or at the time of entering into any investment advisory contract with the Investment Advisor. OPS does not compensate any person for client referrals.

We compensate Investment Advisors for certain approved marketing reimbursement expenses, including but not limited to client appreciation events. Certain investment advisory firms are paid a fee for the administrative and due diligence expenses incurred in offering OPS's services to clients of their Investment Advisors. These fees are either a flat dollar amount or based upon a percentage of the value of new or existing accounts referred to OPS by the applicable Investment Advisors. These fees may also be used to sponsor conferences hosted by Investment Advisors or their investment advisory firms. Investment Advisors are invited to attend seminars and meetings hosted by OPS. The purpose of these meetings is to provide general market and industry information as well as information about OPS's services. For certain Investment Advisors, we bear the full costs associated with Investment Advisors attendance of such meetings.

### **TD Ameritrade**

OPS participates in TD Ameritrade's Institutional customer program and we recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between OPS's participation in the program and the services it gives to its clients, although OPS receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits

include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving OPS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third-party vendors. These benefits include various technological tools. TD Ameritrade may also have paid for business consulting and professional services received by OPS's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit OPS but may not benefit its client accounts. These products or services may assist OPS in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help OPS manage and further develop its business enterprise. The benefits received by OPS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware that the receipt of economic benefits by OPS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence OPS's choice to make TD Ameritrade available as an option for custody and brokerage services.

### **Schwab Advisor Services**

As discussed above, Schwab Advisor Services provides us and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

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

Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- 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.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

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

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

### **Financial Information**

OPS has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage your account.