

## Sample Disclosure Language for Form ADV

**IMPORTANT: This sample language is intended to help you disclose your use of the Minuteman Advisor Services platform in response to Items 1.D., 12.A.(1),(2),(3), 12.B., and 13.A. of your Form ADV Part II. YOU WILL NEED TO TAILOR IT TO YOUR PARTICULAR CIRCUMSTANCES. This sample language does not – and is not intended to – constitute legal or regulatory compliance advice. Please consult your legal or compliance advisors about how this sample disclosure should be revised for use by your firm.**

### Item 1.D. - Advisory Services and Fees: Minuteman Monitored Portfolios

**[Advisor Firm]** offers clients a program for managing and monitoring portfolios of Exchange-Traded Funds (ETFs) using the Minuteman Advisors Services software platform. **[Advisor Firm]** has access to this software under an arrangement with the brokerage firm Interactive Brokers, LLC (“IB”) and under a Software License Agreement with the software provider, MDL Associates, LLC.

***[The minimum account size for this program is \$\_\_\_\_,000]***

The Minuteman software incorporates real-time monitoring to identify expansion and contraction of asset classes within a client's portfolio that exceeds stated variance tolerances. This helps ensure that the intended asset allocation and therefore risk tolerance for the client is consistently maintained.

Minuteman executes the asset allocation according to "model" portfolios of ETFs, selected by **[Advisor Firm]**. Clients are assigned to a portfolio model based on their individual risk tolerances and investment objectives. By using Minuteman, **[Advisor Firm]** can effectively manage multiple portfolios of ETFs and rebalance them, consistent with each client's Investment Policy Statement. When asset classes in a portfolio exceed designated tolerances for expansion and contraction, the Minuteman automatically places the required buy and sell orders to rebalance the portfolio. Designated tolerances are determined by **[Advisor Firm]** and may change from time to time.

The assessed fee for accounts so monitored and managed using this program is a percentage of the market value of the account, as shown in the following schedule:

***[Insert your fee schedule, showing fee tiers or breakpoints]***

The above fees may be negotiable and the final fee schedule will be attached to the investment advisory Contract. These fees do not include the brokerage and transaction fees charged by the broker and custodian, IB. All fees paid to **[Advisor Firm]** for investment advisory services are separate and distinct from the internal expenses charged by ETFs. All management fees are withdrawn from the client's account, unless otherwise noted. **[Advisor Firm]** and IB will receive written authorization from the client to deduct advisory fees from the account held by the custodian. This fee will be charged daily (252 days per year) based on the closing market value of each day. Clients may find comparable services for higher or lower fees from other sources. Clients may terminate these advisory services at any time, with at least seven days written notice given to **[Advisor Firm]**.

### Item 12.A. - Investment or Brokerage Discretion: Minuteman Monitored Portfolios

Generally, Minuteman is an automated, computerized software service used for maintaining the asset allocation of a client's portfolio. An appropriate asset allocation is agreed upon and clients grant **[Advisor Firm]** discretion over the selection of and amount of securities to be bought or sold for their account without obtaining their prior consent or approval. This is because the Minuteman software will automatically execute transactions (buys and sells) of the securities in the amounts necessary to implement the asset allocation and will “rebalance” the portfolio back to this asset allocation, whenever an asset class strays beyond a predetermined and agreed upon percentage tolerance.

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### Item 12.B - Suggestion of Broker-Dealer: Interactive Brokers

**[Advisor Firm]** utilizes the Minuteman Advisor Services platform with certain client accounts. **[Advisor Firm]** requires that clients participating in the Minuteman service establish brokerage accounts with Interactive Brokers LLC, ("IB"), member NYSE - FINRA - SIPC, to maintain custody of clients' assets and to effect trades for their accounts. **[Advisor Firm]** is independently owned and operated and not affiliated with IB or Minuteman. IB has been selected due to the availability of its technology interface for automated trade execution, which is not generally available at other brokerages, and also for its very low cost trade commissions, which are typically well below that of other brokerages available to **[Advisor Firm]**. **[Advisor Firm]** receives some benefit from IB through its participation in the program. (Please see the disclosure under Item 13.A. below.)

### Item 12.B, Cont. - Soft Dollar Relationships: Minuteman Advisor Services Platform

Interactive Brokers, LLC (IB) provides **[Advisor Firm]** with access to the Minuteman Advisor Services software platform. This service is not contingent upon **[Advisor Firm]** committing to IB any specific amount of business (assets in custody or trading commissions). When the Minuteman software platform is utilized to manage their accounts, **[Advisor Firm]** clients will pay a brokerage commission in excess of that which they would normally pay for effecting the same transaction at IB, in recognition of the value of the Minuteman service. This is commonly referred to as a "soft dollar" relationship. However, even with this additional charge, **[Advisor Firm]** clients typically will pay less commission per transaction than another broker-dealer may charge for effecting the same transaction. For certain clients accounts and under certain circumstances, it is conceivable that another broker-dealer may charge less for effecting the same transaction.

Under this arrangement, the Minuteman software being used by **[Advisor Firm]** will from time to time effect transactions, subject to the parameters predetermined and agreed upon with the client, through IB and **[Advisor Firm]** will request that the broker allocate a portion of the commission to **[Advisor Firm]'s** segregated "master account" maintained at IB. **[Advisor Firm]** will then direct IB to pay MDL Associates, LLC for its use of their Minuteman software platform. However, **[Advisor Firm]** is ultimately obligated to pay for such services with hard dollars if soft dollar transactions do not develop. Minuteman services involved are used solely for the benefit of the client(s) in whose account(s) the commissions are incurred.

**[Advisor Firm]'s** use of soft dollars for the Minuteman platform is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities.

### Item 13.A. - Additional Compensation

As disclosed under Item 12.B. above, **[Advisor Firm]** utilizes the Minuteman Advisor Services platform offered through Interactive Brokers LLC (IB). **[Advisor Firm]** requires clients to maintain accounts at IB which they choose to have managed by Minuteman. There is no direct link between **[Advisor Firm]'s** use of the Minuteman platform and the investment advice it gives to its Clients, although **[Advisor Firm]** receives an economic benefit, which is its access to the portfolio monitoring program of the Minuteman Advisor Services Platform. This benefit does not depend on the amount of brokerage transactions directed to IB.

As part of its fiduciary duties to clients, **[Advisor Firm]** endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by **[Advisor Firm]** in and of itself creates a potential conflict of interest and may indirectly influence **[Advisor Firm]'s** choice of IB for custody and brokerage services.

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