# Diversified Financial Management Associates, Inc.

## dba Diversified Financial Management

# Form ADV Part 2A: Disclosure Brochure

**Effective:** November 3, 2026

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This Form ADV Part 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Diversified Financial Management Associates, Inc. ("DFM" or the "Advisor"). If you have any questions about the contents of this brochure, please contact the Advisor at (781) 792-0440 or by email at dfm@dfmwealth.com.

DFM is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about DFM to assist you in determining whether to retain the Advisor.

Additional information about DFM is available on the SEC's website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 171813.

## ITEM 2: Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of DFM.

DFM believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide you with complete and accurate information at all times. DFM encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

Material Changes

The following material changes have been made to this Disclosure Brochure since the annual amendment filing on March 13, 2026:

- The Advisor may accept custody of certain client accounts in their role as Trustee and is subject to the annual surprise audit. Please see Items 4 and 15 for additional information.
- The Advisor has amended the cost of their hourly financial planning fees. Please see Item 5 for additional information.

Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 171813. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (781) 792-0440 or by email at dfm@dfmwealth.com.

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## ITEM 4: Advisory Services

### Firm Information

Diversified Financial Management Associates, Inc. doing business as Diversified Financial Management ("DFM" or the "Advisor") is an independent, fee only, investment advisory firm registered with the U.S Securities and Exchange Commission ("SEC"). Established in 1986, DFM is organized under the laws of Massachusetts as a privately held corporation, and owned by H. Calvin Place, Jr. (President and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and advisory services provided by DFM.

### Advisory Services Offered

DFM offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, and retirement, pension, and profit-sharing plans (each referred to as a "Client").

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. DFM's fiduciary commitment is further described in the Advisor's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Investment Advisory Services

DFM customizes its investment advisory service according to the needs of each individual Client. Typical needs of our Clients include income generation, capital preservation, and growth of capital. DFM's approach to investing seeks to generate competitive long-term returns for its Clients through diversified portfolios. As part of the investment advisory service, DFM assesses the global economic and investment conditions, advises on asset allocation, and identifies specific securities for purchase and sale. DFM enters into discretionary and non-discretionary advisory agreements with Clients; the distinctions between discretionary and non-discretionary accounts are described in the following two paragraphs.

When DFM has investment discretion, it is authorized to make all investment decisions and to direct the execution of all transactions for the Client's account (subject to the investment objectives, guidelines, and restrictions as noted in the Client's investment policy statement) without first consulting the Client in connection with each transaction. DFM customizes discretionary portfolios for each Client, typically consisting of the following security types:

- No load and/or load waived mutual funds
- Exchange-traded and closed-end funds
- Common and preferred stocks
- Options
- Exchange-traded real estate investment trusts, and master limited partnerships
- Certificates of deposit
- Corporate, municipal, and government bonds, notes and bills

When a Client retains DFM on a non-discretionary basis, the Client participates in all investment decisions and account transactions. While DFM can make investment recommendations, only those recommendations authorized by the Client are processed in the Client account. DFM customizes non-discretionary portfolios for each Client, typically consisting of the following security types:

- No load and/or load waived mutual funds
- Exchange-traded and closed-end funds
- Common and preferred stocks
- Options
- Exchange-traded real estate investment trusts, and master limited partnerships
- Certificates of deposit
- Corporate, municipal and government bonds, notes and bills

The Advisor may retain other types of investments from the Client's legacy portfolio due to fit with the overall portfolio strategy, tax-related reasons, or other reasons as identified between the Advisor and the Client.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts ("IRAs"), the Advisor is a fiduciary 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. When deemed to be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

DFM accepts custody of a Clients funds or securities in their role as Trustee, through the deduction of management fees from the Client's account[s] at the Custodian, and in certain situations due to trustee services being provided to a Client.

Financial Planning Services

DFM provides financial planning services alongside its investment advisor services, or pursuant to a written financial planning agreement. Advisory Persons of DFM gather information on a Client's current financial status, future goals, and attitudes towards risk, through in-depth Client interviews and documents supplied by the Client. Financial planning services may include some or all of the following:

- Financial projections
- Tax analysis
- Production of personal financial statements
- Investment reviews
- Estate planning
- Retirement planning and projections

- Education funding strategies
- Insurance needs analysis

Financial planning recommendations are not limited to any specific products or services offered by a broker/dealer or insurance company. Clients can implement financial planning recommendations through DFM or other avenues. DFM will normally schedule annual review meetings to discuss performance of the Client's account(s), to review the Client's financial situation, and to document any changes in the Client's investment goals and objectives. To service our Clients, we utilize a network of independent advisors including professionals in the fields of law, accounting, retirement plan administration, investment management, insurance, real estate, and other specialties where appropriate.

Trustee Services

Certain investment advisory representatives of the Advisor may agree to serve as trustee for certain client accounts when requested by the client. Trustee services are provided on a limited basis and are tailored to the needs and governing documents of the particular trust. When acting as trustee, the investment advisor representative is responsible for administering the trust in accordance with its terms, overseeing distributions, and coordinating with beneficiaries and other professional advisers as appropriate. These services are distinct from our wealth management services and may be provided by the Firm or by designated supervised persons with the appropriate authority and experience. Trustee services may involve fees that are independent from and in addition to any advisory fees charged for portfolio management. The scope of our responsibilities, applicable compensation, and any related limitations are disclosed in writing to each client prior to acceptance of a trustee appointment. Clients should be aware that serving in a trustee capacity may create potential conflicts of interest, which the Firm manages through internal review, supervision, and clear client disclosure.

Schwab Bank Pledged Asset Line®

The Advisor may introduce certain Clients to a Pledged Asset Line®, a non-purpose revolving line of credit offered through Charles Schwab Bank, secured by eligible assets held in an account maintained at the Custodian. ("Lending Program"). In such instances, the Client's assets in their account[s] at the Custodian will be utilized as collateral for a non-purpose revolving line of credit. The recommendation of a Lending Program presents a conflict of interest as the Advisor will continue to receive investment advisory fees for managing the collateralized assets in the Client's account[s]. Clients are not obligated to engage the Advisor for the Lending Program. For additional information related to the risks involved with non-purpose loans, please see Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

Investment Manager Evaluation, Selection, and Monitoring

DFM evaluates and provides its Clients access to outside investment managers. Outside investment managers identified by DFM typically offer an investment capability that DFM does not possess in-house. When a Client decides to invest with an outside manager, it is done so at the sole discretion of the Client, with the Client contracting directly with the outside manager. Once a Client selects an investment manager, DFM, at least quarterly, measures the manager's investing actions against the stated investment mandate. DFM also provides performance evaluations and reporting on the account. Investment manager selection factors include, but are not limited to, the following:

- Investment philosophy and style of manager
- Historical performance and volatility of returns
- Management fees
- Tax issues
- Account size
- Other Client investment managers or assets

The outside investment manager invoices the Client and typically deducts their fee from the account. The minimum account size is dependent on the investment manager's minimums and typically range from $500,000 to $2,000,000. DFM deducts a separate fee which is described in Item 5 – Fees and Compensation.

Retirement Plan Advisory Services

DFM provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Oversight Services (ERISA 3(21))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance

These services are provided by DFM serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of DFM's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Retirement Plan Education

DFM provides education to plan participants on investing, retirement planning, and other related topics. DFM makes periodic presentations to plan participants, which include an interactive discussion and educational materials for the audience.

**Assets Under Management**

As of December 31, 2025, DFM manages $338,750,827 in Client assets, of which $242,195,099 are managed on a discretionary basis and $96,555,728 on a non-discretionary basis.

## ITEM 5: Fees and Compensation

Investment Advisory Services and Investment Manager Evaluation, Selection, and Monitoring

DFM generally has established investment advisory and manager evaluation fees for its Clients in accordance with the fee schedule below. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor. Fees are payable quarterly, at the end of each calendar quarter. The annual fee schedule is:

| Portfolio Values of: | Annual Fee Schedule |
|---|---|
| On the first $1,000,000 | 1.00% |
| On the next $2,000,000 | 0.90% |
| On the next $2,000,000 | 0.75% |
| Values over $5,000,000 | 0.50% |

Although DFM does not have a minimum account size, the Advisor normally charges a minimum annual fee of $5,000. For larger portfolios, DFM's fee may also include ongoing financial planning as described in the "Our Services-Financial Planning" Section. For Clients with multiple accounts, assets may be aggregated to arrive at the Client portfolio value. The Advisor will conduct periodic reviews of the Custodian's valuations to ensure accurate billing.

Fees are negotiable. In its sole discretion, DFM may charge a lesser advisory fee or waive the $5,000 minimum annual fee based upon certain criteria (historical relationship, related accounts, negotiations with Client, expectations of significant capital additions in the future, etc.).

DFM bills fees quarterly, at the end of each calendar quarter, based on investment account values on the last day of each calendar quarter. To calculate fees, DFM applies one-fourth of the billing rate to account values posted on the last day of each calendar quarter in our reporting software.

Typically, fees for trustee services will be charged a flat asset-based annual rate up to 0.50%, or in certain circumstances may be negotiated with the client. These fees are in addition to wealth management fees described above.

Prorated fees

For new Clients, the first invoice is generally prorated from the date assets are placed in accounts, or upon an agreed upon billing date. The prorated calculation divides one-fourth of the billing rate to the account values posted on the last day of the calendar quarter in our reporting software divided by the number of days in the quarter, and then multiplied by the number of days from the billing start date. Capital flows greater than 10% of the account or group portfolio value are prorated using standard calculations.

To calculate fees, DFM applies one-fourth of the billing rate to account values posted on the last day of each calendar quarter in our reporting software.

Investment Advisory Services Termination

Clients have the right to terminate the advisory agreement at any time, without penalty, with written notice. The Client may also terminate the advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. Upon termination of the advisory agreement, fees are prorated to the termination date, or the date the assets are scheduled to leave the account (as instructed by the Client and hereafter referred to as the "termination date"). The prorated fee calculation divides one-fourth of the annual billing rate by the value of the assets on the termination date, divided by the number of days in the calendar quarter, and then multiplied by the number of days to the termination date. DFM deducts the fee from the Client's account (if designated) and generates a final invoice copy

for the Client's records. Clients that pay by invoice receive a prorated final invoice that is payable upon receipt. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Independent Managers

As noted in Item 4, there are rare circumstances when the Advisor will utilize one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. For Client accounts implemented through an Independent Manager, the Client's overall fees will include DFM's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager. The Independent Manager will assume the responsibility for calculating the Client's fees and deducting all fees from the Client's account[s].

Independent Manager[s] Termination

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. DFM will assist the Client with the termination and transition as appropriate.

Financial Planning Services

DFM typically offers financial planning services for no charge as a courtesy to DFM investment advisory Clients. For non-advisory Clients requesting financial planning, DFM may assess a fixed financial planning fee based on the complexity of the Client's financial situation and the scope of planning required. Alternatively, fees may be calculated based on an hourly rate of $500. As agreed to in advance with the Client, this fee is payable in installments as work is performed or upon completion.

Financial Planning Services Termination

DFM is compensated for its services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by the Advisor. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.00%, billed at the end of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the market value of assets under management at the end of the calendar quarter. Fees may be negotiable depending on the size and complexity of the Plan. Fees are generally based on the following schedule:

| Portfolio Values of: | Annual Fee Schedule |
|---|---|
| On the first $1,000,000 | 1.00% |

| | |
|---|---|
| On the next $2,000,000 | 0.90% |
| On the next $2,000,000 | 0.75% |
| Values over $5,000,000 | 0.50% |

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

Retirement Plan Advisory Services Termination

DFM is compensated for its services at the end of the quarter after advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. Upon termination, the Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Other Fees and Expenses

In addition to investment advisory fees payable to DFM, Clients will also incur expenses that are not payable to DFM but arise in connection with DFM's investment advisory services. These expenses may include, but are not limited to:

- Custodian fees and expenses
- Brokerage commissions
- Mark-ups and mark-downs
- Wire fees
- Other transaction costs
- Mutual fund transaction fees and charges imposed by the mutual fund

The Advisor's recommended Custodians do not charge securities transaction fees for ETFs and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodians typically charge for mutual funds and other types of investments. DFM receives no compensation or benefits from any of these listed "other fees and expenses."

## ITEM 6: Performance-Based Fees and Side-By-Side Management

DFM does not charge performance-based fees for its investment advisory services. The fees charged by DFM are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

DFM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## ITEM 7: Types of Clients

DFM provides investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, and retirement, pension, and profit-sharing plans. Although DFM does not have a minimum

account size, DFM normally charges a minimum annual fee of $5,000. (See Item 5 – Fees and Compensation, for more information).

## ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss

DFM professionals build balanced and diversified portfolios to manage risk, while positioning accounts to capitalize on longer term economic and investment trends.

DFM realizes that each Client is unique, with specific needs and aspirations. When a Client engages DFM, our focus is to fully understand their particular objectives and tax profile in order to create an appropriate investment strategy. DFM takes a holistic approach to asset allocation, considering the entirety of the Client investments which may include individual securities, mutual funds, ETFs, real estate investment trusts (REITs), or other securities.

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

Individual Equities

DFM analyzes equity investments worldwide on behalf of our Clients. DFM combines this security selection process with portfolio construction to produce customized portfolios tailored to Clients' risk-return objectives. Quantitative and Fundamental approaches are utilized in selection of individual stocks.

Separately Managed Portfolios

For managed equity accounts, DFM sometimes recommends and monitors outside independent investment managers. DFM evaluates their investment philosophy, stock selection process, and performance across a wide variety of disciplines and styles.

Exchange Traded Fund (ETF) Portfolios

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. There is also a risk that Authorized Participants are unable to fulfill their responsibilities. Authorized Participants are one of the major parties involved with ETF creation/redemption mechanism in the markets. The Authorized Participants play a critical role in the liquidity of ETFs and essentially have the exclusive right to change the supply of ETF shares in the market. If the Authorized Participants does not fulfill this expected role, there could be an adverse impact on liquidity and the valuation of an ETF.

Mutual Fund Portfolios

DFM selects mutual funds from thousands of no-load and/or load-waived funds through a thorough evaluation process. The mutual fund evaluation process includes analysis of risk and returns, style

purity, manager tenure, and other considerations. Mutual fund portfolios are tailored to each Client's requirements, either as part of an overall strategy that includes other types of investments or for an entire investment account. DFM monitors fund investment performance and risk characteristics on an ongoing basis.

Fixed Income Portfolios

DFM's fixed income strategy is customized to each Client's needs. DFM develops a diversified fixed income allocation to incorporate Clients' income requirements with a thorough analysis of interest rate trends. We typically utilize municipal, U.S. treasury, agency, and high-quality corporate bonds. Where suitable, DFM may integrate potentially higher yielding investments which include preferred stock, structured and/or leveraged products, master limited partnerships (MLPs), and convertible bonds.

Options Contracts and Derivatives

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

Alternative Investments

DFM conducts its own due diligence and allocates capital to alternative asset classes that offer a compelling risk-return profile. DFM gives Clients access to what it believes are appropriate alternative investment ideas, as well as experienced outside managers and researched funds. We assess and recommend opportunities in limited partnerships, private equity, commodities, global currencies, venture capital, and real estate.

Real Estate Investment Trusts ("REITs")

Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. For Example, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Non-Purpose Loans and Lines of Credit

Non-purpose loans and lines of credit carry a number of risks, including but not limited to the risk of a market downturn, tax implications if collateralized securities are liquidated, and an increase in interest rates. A decline in the market value of collateralized securities held in the account[s] at the Custodian, may result in a reduction in the draw amount of the Client's line of credit, a demand from the Lending Program that the Client deposit additional funds or securities in the Client's collateral account[s], or a forced sale of securities in the Client's collateral account[s].

During the investment process, DFM reviews numerous sources of information: financial newspapers and media, third party research materials, company filings and prospectuses, and company press releases.

DFM does not guarantee that investments will produce profits or that future returns will equal historical performance. Investing in securities involves risk of loss.

## ITEM 9: Disciplinary Information

**There are no legal, regulatory, or disciplinary events involving DFM or its owner.** DFM values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 171813.

## ITEM 10: Other Financial Industry Activities and Affiliations

The sole business of DFM is to provide investment advisory services to its Clients. Neither DFM nor its Advisory Persons are involved in other business endeavors. DFM does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

## ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Investment Advisors Act of 1940 prohibits DFM employees and any related persons from engaging in fraudulent and manipulative practices with respect to its Clients or their accounts. The rules under the Act also require DFM to adopt and publicize a Code of Ethics designed reasonably to prevent engagement in prohibited practices. DFM's Code of Ethics serves to provide personnel and Clients with an understanding of DFM's obligations as fiduciary. DFM will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Participation or Interest in Client Transactions and Personal Trading

DFM, its employees, or their immediate family members may buy or sell securities identical to those recommended to Clients for their personal account. As small investors, these purchases would not normally affect the market. It is the policy of DFM that no DFM employees or their family members may purchase or sell any security prior to a transaction[s] being implemented for an advisory account to prevent employees from benefiting from advisory account transactions.

When trading for personal accounts, employees have a conflict of interest in trading in the same securities as Clients. The fiduciary duty to act in the best interest of the Client can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by DFM requiring reporting of personal securities trades by its employees for review by the Chief Compliance Officer ("CCO") or delegate. The CCO or delegate monitors the trades and holdings of all employees and their family members on a quarterly basis, as required by the SEC rule 204A-1 under the Advisers Act.

DFM established the following restrictions to ensure its fiduciary responsibilities and prevent conflicts of interest:

- DFM emphasizes the unrestricted right of the Client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.
- DFM, its employees, or their immediate family members shall not buy or sell securities for their personal portfolio(s) based on insider information (information that is not available to the investing public on reasonable inquiry).
- DFM, its employees, or their immediate family members shall not prefer his or her own interest to that of the advisory Client.
- DFM, its employees, or their immediate family members generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from DFM's Chief Compliance Officer.
- DFM requires that all employees act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- Any employee not in observance of the above guidelines may be subject to termination.

## ITEM 12: Brokerage Practices

DFM recommends Fidelity Institutional Wealth Services ("Fidelity") and Schwab Advisor Services ("Schwab") to advisory Clients in need of brokerage and custodial services. Fidelity and/or Schwab will serve as the Client's "qualified custodian". Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost from the Advisor associated with using a custodian not recommended by DFM. DFM believes Fidelity and Schwab provide a full range of investment and other financial services at rates that are comparable to services offered in the financial services community. It is possible other financial service firms may charge brokerage and custodial service rates less than Fidelity and Schwab. Fidelity and Schwab provide services that assist DFM in managing and administering Clients' accounts through software and other technology that:

- Provide Client access to online reporting (such as trade confirmations and account statements)
- Facilitate trade execution
- Provide research, pricing and other market data
- Process payment of advisory fees
- Assist with back-office functions, record-keeping and Client reporting.

DFM does not receive any soft dollars with respect to its relationship with Fidelity, Schwab, or any other brokers.

Clients may utilize the custodian and broker/dealer of their choice.

When DFM believes it is desirable, appropriate and feasible to purchase or sell the same security for a number of Client accounts at the same time, DFM may aggregate its Clients' orders. The primary purpose of aggregating a purchase or sale of a security for multiple Clients is to ensure that each Client receives the identical purchase or sale price.

## ITEM 13: Review of Accounts

DFM reviews Client accounts in a variety of ways. DFM is responsible for periodically monitoring Client portfolios and identifying those accounts that warrant a more detailed review. DFM also reviews portfolios whenever market conditions offer attractive buy/sell opportunities and in conjunction with Client-driven changes in cash flows or objectives.

DFM sends its Clients portfolio reports at least quarterly. The quarterly reports include an investment commentary letter, time-weighted performance for the quarter and year-to-date period, a list of each portfolio holding, as well as relevant investment benchmark returns.

## ITEM 14: Client Referrals and Other Compensation

Participation in Institutional Advisor Platform (Fidelity)
As noted in item 12, DFM has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s].

As part of the arrangement, Fidelity also makes available to the Advisor, at no additional charge to the Advisor, certain brokerage services. The Advisor may also receive additional services and support from Fidelity. As a result of receiving such services for no additional cost, the Advisor may have an incentive to continue to use or expand the use of Fidelity's services. The Advisor examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of the Advisor's Clients and satisfies its Client obligations, including its duty to seek best execution. Please see Item 12 above.

The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

Participation in Institutional Advisor Platform (Schwab)
DFM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like DFM. As a registered investment advisor participating on the Schwab Advisor Services platform, DFM receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back-office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to DFM that may not benefit the Client, including educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. DFM believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

Compensation for Client Referrals

Certain Clients may be referred to the Advisor by either an affiliated or unaffiliated party (herein "Promoter") and receive, directly or indirectly, compensation for the Client referral. In such instances, the Advisor will compensate the Promoter a fee in accordance with Rule 206(4)-1 of the Advisers Act and any corresponding state securities requirements. Any such compensation shall be paid solely from the investment advisory fees earned by the Advisor, and shall not result in any additional charge to the Client.

## ITEM 15: Custody

The Advisor is authorized to deduct its fees from the Client's account[s] at the Custodian. The Client must place all assets with a "qualified custodian". The Client is required to engage the Custodian to retain all funds and securities and direct the Advisor to utilize that Custodian for security transactions in the account[s]. The Client should review statements provided by the Custodian, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

Surprise Independent Examination

As DFM is deemed to have custody over certain Client accounts and/or securities due to trustee services provided to Clients, pursuant to securities regulations, the Advisor is required to engage an independent accounting firm to perform an annual surprise examination of those assets and accounts over which

DFM maintains custody. Any related opinions issued by an independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website ( http://adviserinfo.sec.gov).

## ITEM 16: Investment Discretion

DFM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by DFM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by DFM will be in accordance with each Client's investment objectives and goals. For Client accounts that are managed on a non-discretionary basis, DFM is required to obtain the Client's permission prior to effecting securities transactions.

## ITEM 17: Voting Client Securities

DFM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## ITEM 18: Financial Information

Neither DFM, nor its management, have any adverse financial situations that would reasonably impair the ability of DFM to meet all obligations to its Clients. Neither DFM, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. DFM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of $1,200 or more for services to be performed six months or more in the future.