MODERA WEALTH

Disclosure Brochure

May 24, 2023

This Brochure provides information about the qualifications and business practices of Modera Wealth Management, LLC ("the Firm", we", "us", "our"). If you have any questions about the contents of this Brochure, please contact Theresa Apruzzese Days, Chief Compliance Officer, at (617) 247-0518 or terryd@moderawealth.com.

Additional information about our Firm is also available at www.adviserinfo.sec.gov. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

We are a registered investment adviser. Please note that use of the term "registered investment adviser" and a description of the Firm and/or our employees as "registered" does not imply a certain level of skill or training. For more information on the qualifications of the Firm and our employees who advise you, we encourage you to review this Brochure and the Brochure Supplement(s).

Office Locations

New Jersey
56 Jefferson Avenue
Westwood, NJ 07675
Phone: (201) 768-4600

51 Dumont Place
Morristown, NJ 07960
Phone: (973) 605-1100

Massachusetts
535 Boylston Street
Suite 300
Boston, MA 02116
Phone: (617) 247-0518

Florida
221 W. Main St.
Suite A
Inverness, FL 34450
Phone: (352) 746-4460

Georgia
5555 Glenridge Connector
Suite 150
Atlanta, GA 30342
Phone: (678) 833-1166

North Carolina
6101 Carnegie Blvd
Suite 220
Charlotte, NC 28209
Phone: (704) 358-3322

6 Wall Street
Asheville, NC 28801
Phone: (828) 255-0271

6700 Fairview Rd.
Suite 360
Charlotte, NC 28210
Phone: (704) 334-0894

85 Peachtree Road
Asheville, NC 28803
Phone: (828) 277-7400

140-B SW Broad St.
Southern Pines, NC 28387
Phone: (910) 684-8054

22 Depot Street
Tryon, NC 28782
Phone: (828) 859-7001

100 North Cherry St.
Suite 505
Winston-Salem, NC 27101
Phone: (336) 659-0050

Pennsylvania
620 Lee Road, Suite 100
Wayne, PA 19087
Phone: (610) 695-8070

New York
19 West 44th St.
Suite 1100
New York, NY 10036
Phone: (917) 410-3328

800 Westchester Ave.
Suite 641
Rye Brook, NY 10573
(Client meeting space only)

Virginia
7601 Lewinsville Rd.,
Suite 210
McLean, VA 22102
Phone: (703) 356-4380

Item 2. Material Changes

This section of the brochure discusses only the material changes that have occurred since the last annual update filed by Modera Wealth Management, LLC ("the Firm", "we", "us", "our") on March 17, 2023.

Item 4.

In April 2023 Modera completed an asset purchase of Parsec Financial Management, Inc. adding 26 new owners as well as issuing to TRIA Asset Holdings C, LLC Class B-2 non-voting stock of the Firm.

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Item 4. Advisory Business

Firm Information

We are an independent, fee-only registered investment adviser that acts in a fiduciary capacity to our clients in providing wealth management, portfolio management, investment consulting/investment monitoring services, retirement plan consulting/management services and financial planning and consulting services. In delivering those services We derive all compensation from our clients and do not accept any commissions, referral fees or other fees from the sale of financial products.

In April of 2023 Modera completed an asset purchase agreement with Parsec Financial Management, Inc, (Parsec). This firm has ceased providing advisory services and now conducts all advisory services through Modera.

The principal owner of Modera Wealth Management, LLC, is Modera Capital, Inc. We maintain offices in Boston, Massachusetts, Westwood and Morristown New Jersey, Rye Brook and New York, New York, Atlanta, Georgia, Inverness, Florida, Wayne, Pennsylvania, McLean, Virginia and Charlotte, Asheville, Tryon, Winston Salem, and Southern Pines in North Carolina.

Fiduciary Statement

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

Types of Advisory Services

When providing advisory services, we shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant) and are expressly authorized to rely on such information provided. We may endorse our services and/or other professionals to implement the recommendations. A conflict of interest exists if we recommend our own services. The client is under no obligation to act upon any of our recommendations under a stand-alone financial planning/consulting engagement or to engage the services of any recommended professional, including the us. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of our recommendations. Moreover, it is each client's responsibility to notify us promptly in writing if there are any changes to their financial situation or investment objectives so that we may review, evaluate, or revise our previous recommendations and/or services.

Wealth Management and Portfolio Management Services

We primarily offer two ongoing forms of asset management services: wealth management and portfolio management. A client may engage us to provide a broad range of financial planning and consulting services along with management of all or a portion of a client's assets on a discretionary or non-discretionary basis

("wealth management"). Depending on the engagement, for some legacy clients, such wealth management services can include business coaching and/or real estate coaching services. We offer clients discretionary or non-discretionary management of investment portfolios ("portfolio management"). Our portfolio management services do not include financial planning services. As discussed below, a portfolio management client can engage us for financial planning under a separate engagement (for which we may receive additional compensation).

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

We intend to allocate each client's investment management assets on a discretionary or non-discretionary basis primarily among mutual funds, exchange traded funds and individual debt securities and to a lesser extent individual stocks as well as among certain "Independent Managers" in accordance with the client's investment objectives and risk tolerance. We may provide advice about any type of investment held in a client's portfolio.

In addition, we may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in investments offered in a private offering ("private placement investments"), which can include securities of pooled investment vehicles which invest, among other things, in debt securities and/or equity securities when consistent with the client's investment objectives and risk tolerance and at the client's discretion. Certain private placement investments may be limited to clients who are "qualified purchasers" under Section 2(a)(51) of the Investment Company Act.

We can render wealth management and portfolio management services to clients relative to variable life/annuity products that they may own; their individual employer-sponsored retirement plans; and 529 plans or other products that may not be held by the client's primary custodian. In so doing, we allocate or recommend the allocation of client assets among the various investment options that are available. These client assets will be maintained at the specific insurance company or custodian designated by the product or plan; however, if we are not granted appropriate access and authority to trade, we will provide instruction regarding the trades to be made in the account(s) and the client will be responsible for completing those transactions.

Investment Monitoring Services

For certain legacy clients we also provide investment monitoring services, which include consulting on or monitoring of the clients' outside investments. We do not provide wealth management or portfolio management services with respect to such outside investments and do not have authority over such outside investments.

Retirement Plan Management and Consulting Services

We offer services to retirement plans ("Plan[s]") and plan sponsors ("Sponsor[s]"). Our services may include (1) Discretionary Investment Management Services, (2) Non-Discretionary Investment Advisory Services

and/or (3) Retirement Plan Consulting Services. Depending on the type of the Plan and the specific arrangement with the Sponsor, we may provide one or more of these services. Prior to being engaged by the Sponsor, we will provide a retirement plan agreement ("Agreement") that contains the information required under Sec. 408(b)(2) of the Employee Retirement Income Security Act ("ERISA") as applicable.

We may deliver one or more of the following discretionary fiduciary services:

Selection, monitoring & replacement of designated investment alternatives ("DIAs"): We will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to the Sponsor an Investment Policy Statement ("IPS") that contains criteria from which we will select, monitor, and replace the Plan's DIAs. Once approved by the Sponsor, we will review the investment options available to the Plan and will select the Plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, we will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

Selection, monitoring & replacement of qualified default investment alternative ("QDIAs): Based upon the options available to the Plan, we will select, monitor, and replace the Plan's QDIA(s) in accordance with the IPS.

Creation & maintenance of model allocation portfolios ("Models") (with respect to certain legacy clients): We will create a series of risk-based Models comprised solely among the Plan's DIAs; and, on a periodic basis and/or upon reasonable request, we will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by the Sponsor.

Management of Trust Fund (with respect to pooled plans): We will review with the Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to the Sponsor an IPS that contains criteria from which we will select, monitor, and replace the Plan's investments. Once approved by the Sponsor, we will review the investment options available to the Plan and will select the Plan's investments in accordance with the criteria set forth in the IPS. On a periodic basis, we will monitor and evaluate the investments and replace any investment(s) that no longer meet the IPS criteria.

When we are acting in a non-discretionary capacity, we will review the investment options available to the Plan and recommend investments to the Sponsor for the Plan. We will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the Plan's Investments. If the IPS criteria require any investment(s) to be removed, we will recommend to Sponsor replacement investment(s).

Selection & Management of Third-Party Managers (with respect to certain legacy client pooled plans): Based on the Plan's IPS or other investment guidelines established by the Plan, we will review the third-party investment managers available to the Plan and select a third-party investment manager to manage some or all of the Plan's investments. We will provide reports, information, and recommendations, on a periodic basis, designed to assist the Sponsor with monitoring the manager. If the IPS criteria require any manager to be removed, we will replace the manager.

Retirement Plan Consulting Services are designed to allow assistance to the Plan Sponsors in meeting fiduciary duties to administer the Plan in the best interests of Plan participants and their beneficiaries.

Retirement Plan Consulting Services are performed so that they would not be considered "investment advice" under ERISA. We will also provide the following Retirement Plan Consulting Services:

- Administrative Support including the following specific services:
  - Assist the Sponsor in reviewing objectives and options available through the Plan.
  - Recommend Plan participant education and communication policies under ERISA 404(c).
  - Deliver fiduciary training and/or education periodically or upon reasonable request.
- Service Provider Support including the following services:
  - Assist Sponsor with review of Covered Service Providers ("CSP") and fee benchmarking.
  - Coordinate and assist with CSP replacement and conversion.
- Investment Monitoring Support including the following services:
  - Periodic review of investment policy in the context of Plan objectives.
- Participant Services including the following services:
  - Facilitate group enrollment meetings and coordinate investment education.

In providing Retirement Plan Services, we may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation, a decision by the Plan participant or beneficiary to purchase services from us not involving the use of Plan assets; as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relating to assets held outside of the Plan; or through a rollover of an Individual Retirement Account ("IRA Rollover").

If we are providing Retirement Plan Services to a plan, we can, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement. If a Plan participant or beneficiary desires to affect an IRA Rollover from the Plan to an account advised or managed by us, we will have a conflict of interest if our fees are reasonably expected to be higher than those we would otherwise receive in connection with the Retirement Plan Services. We will disclose relevant information about the applicable fees charged by us prior to opening an IRA account. Any decision to affect the rollover or about what to do with the rollover assets remain that of the plan participant or beneficiary alone.

For certain legacy clients we also provide retirement plan consulting services through a turn-key asset management program. Such services are provided through Buckingham Strategic Partners' ("BSP") (formerly, BAM Advisor Services, LLC) Advisor Access™ 401(k) service, which includes access to model investment portfolios and administrative and marketing support services.

Stand-Alone Financial Planning and Consulting Services

We separately can provide our clients with stand-alone financial planning and consulting services (which could include non-investment related matters). These services may include one or more of: business planning, investments, insurance planning, retirement planning, education funding, estate planning, tax planning, and cash flow planning.

Trust Services

Modera uses a third-party corporate trustee for some legacy clients. The Trustee will collect and distribute income, provide recordkeeping, produce required tax reporting and provide for the administration and disposition of trust assets as directed by the governing document.

Tax Preparation Services

Modera provides tax planning and preparation services for some legacy clients. These clients will enter into a separate service agreement outlining the terms of the engagement.

Personal Trustee Services

We are required to disclose arrangements with clients that present a perceived conflict of interest. Certain of our Wealth Managers serve as personal trustees for clients. These roles do not create a "Custody" arrangement as they are positions for family members or for close personal relationships that pre-dated the client relationship with the Firm. We do not and would not give preferential treatment to these clients with any of the services provided or securities recommended and/or purchased.

Use of Independent Managers

As mentioned above, in certain circumstances for certain wealth management or portfolio management clients, we can allocate a portion of their assets to be actively managed on a discretionary basis by certain independent investment manager(s) ("Independent Manager(s)"), based upon the client's stated investment objectives and risk tolerance. The terms and conditions under which the client engages the Independent Manager(s) shall be set forth in separate written agreements between us and/or the client and the designated Independent Manager(s).

We will continue to render services to the client relative to the discretionary selection and retention of Independent Manager(s) as well as monitoring and reviewing account performance and client investment objectives, for which we will receive an annual management fee based upon a percentage of the market value of the assets being managed by the designated Independent Manager(s) in accordance with the applicable fee schedule in Item 5 below.

When selecting an Independent Manager for a client, we will review information about the Independent Manager such as its disclosure statement and/or material supplied by the Independent Manager or independent third parties for a description of the Independent Manager's investment strategies, past performance, and risk results, to the extent available. Factors we consider in selecting and retaining Independent Manager(s) include the client's stated investment objectives and risk tolerance, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees the designated Independent Manager charges, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, our wealth management fee or portfolio management fee as set forth below in Item 5. As also discussed in Item 5 below, the client may incur fees other than those that we, the designated Independent Manager and any corresponding broker-dealer and custodian charge.

In addition to our written disclosure brochure and client relationship summary, the client also receives the written disclosure brochure, client relationship summary and privacy notice of the Independent Manager(s).

Tailored Relationships

We tailor our investment recommendations to each client's situation. It is our practice to tailor our wealth management and portfolio management services to the individual needs of each client. We will ensure that each client's investments are suitable for that client and consistent with his/her/its investment needs, goals, and risk tolerance. Clients have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct us not to purchase certain securities or types of securities. Our clients are advised to notify us promptly if there are any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon our wealth management and portfolio management services.

Assets Under Management

As of December 31, 2022, we had approximately $6,800,794,762 in regulatory assets under management. Of these assets, we managed approximately $6,755,105,750 on a discretionary basis and $45,689,012 on a non-discretionary basis. As of December 31, 2022, Parsec Financial Management, Inc., whose assets we purchased in April 2023, had: $3,745,709,001 regulatory assets under management. Of those, $3,551,623,198 were discretionary and $194,085,803 were non-discretionary. A combination of both firms as of December 31, 2022, would have resulted in regulatory assets under management of $10,546,503,763.

Item 5. Fees and Compensation

We offer our services on a fee-only basis which, depending upon the type of engagement, includes fees based upon assets under management as well as hourly and/or fixed fees. Similar services may or may not be available from other registered investment advisers for similar or lower fees.

Wealth Management Fees and Portfolio Management Fees

In the event a client engages us to provide either wealth management or portfolio management services, we will do so on a fee basis. We will charge an annual management fee based upon a percentage of the market value of the assets we are managing. We may be authorized to use margin in the management of a client's portfolio. In such cases the annual management fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to us will be increased. For legacy clients and clients with a de minimus level of margin, we, in our sole discretion, can decide to or continue to assess the annual management fee net of margin.

The annual management fee charged by us, assessed quarterly in advance, varies depending upon the market value of the assets under management and the type of services to be rendered. The annual fee generally ranges from 0.15% – 1.00% of the assets under management for wealth management services and from 0.10% – 0.80% of the assets under management for portfolio management services. Notwithstanding the foregoing percentages, we generally charge a minimum quarterly fee between $2,500 and $5,000 per quarter for wealth management services and between $2,000 and $4,000 per quarter for portfolio

management services. Legacy clients may pay more or less than these minimums. While we do not have any minimum account size, these minimum quarterly fees can cause clients to pay fees that exceed those in the percentage ranges above, particularly for those with smaller account values. Additionally, with respect to clients who had an arrangement with an advisory firm that merged with or was acquired by us ("legacy clients"), we can choose to maintain the client's existing fee structure, which may fall outside the fee ranges above.

Legacy clients who receive wealth management services but also have elected to receive business coaching and/or real estate coaching services are charged a separate annual fixed fee for business coaching and/or real estate coaching services ranging from $2,500 to $25,000 (assessed quarterly in advance). The annual fee for such business coaching and/or real estate coaching services is charged in addition to the fee for wealth management services.

We permit our employees and their families to choose to invest their assets with us for a substantially reduced or nominal annual management fee.

Our annual management fee is in addition to, brokerage commissions, transaction fees and other related costs and expenses that the client may incur, including those listed under the heading "Fees Charged by Third-Party Financial Institutions." We will not receive any portion of those commissions, fees, and costs. Our annual management fee will be prorated and charged quarterly in advance and, except for assets invested in private placement investments, is based upon the market value of the assets we are managing on the last day of the previous quarter. For legacy Parsec clients, under the terms of their Parsec service agreement, fees are based on the average daily balance of the assets under management for the previous quarter and are rounded.

For assets invested in private placement investments, we do not receive any direct compensation from such investments in the form of management or incentive fees. The value of these interests held by investors who are clients of ours will be included in the client's assets under management for purposes of calculating our annual management fee. The annual management fee for assets invested in such private placements is typically calculated based on the reported or estimated net asset value of such private placement securities as provided by the client's custodian. Investors in such private placements also bear expenses in connection with their operation and management as described in their respective offering documents.

Retirement Plan Rollover Recommendations

As part of our services to you, we may recommend that you roll assets from your employer's retirement plan, ("Plan Assets"), to an individual retirement account, such as a Traditional IRA, or Roth IRA (collectively, an "IRA Account") that we will advise on your behalf. We may also recommend rollovers from IRA Accounts to Plan Assets, from Plan Assets to Plan Assets, and from IRA Accounts to IRA Accounts. This is an important decision, and we want to make you aware of factors that might influence your choices. Some of these factors include:

- When you are not required to roll over your Plan Assets, you may keep those assets in the Plan or roll it over to a new employer plan (if available);

- You enjoy certain benefits by keeping your assets in the Plan that may be lost if your Plan Assets are transferred to an IRA. For example, your Plan may have unique investment products or lower investment-related fees that may not be available to your IRA and/or your Plan may offer additional services not available in your IRA;
- Your Plan may not charge fees associated with account opening, annual maintenance, account closing, brokerage commissions, management fees and other administrative and/or investment-related expenses;
- Limited or delayed options for taking withdrawals or distributions, including the timing of minimum distributions required by the IRS, may be more favorable in your Plan; and
- Protection from creditors for your assets in the Plan may be greater than in your IRA, as the latter will depend upon the laws of your State.

When we make recommendations regarding rolling Plan Assets, it is important that you understand your options and consider them carefully before making your decision to roll over or transfer assets from your current Plan Assets. Specifically, you should understand that:

- You have other options to preserve the tax-deferred status of your retirement account, including: i) remaining in your current account; ii) rolling over your account into a new employer's plan (if applicable); and/or rolling over or transferring to a new account;
- In the event we do not earn any compensation relating to your current retirement account, or if we receive less compensation if your assets were to remain in that account without any changes to the account or account type, and if we will receive more compensation as a result of your decision to roll over, transfer or change your account, we have a conflict of interest;
- Any information we provided to you, including a recommendation to roll over or transfer your retirement account, is unrelated to any services we may provide to your employer; and
- Any arrangement to invest your new account may be accompanied by a new agreement but will be accompanied by disclosures that will contain information about how we will be compensated.

Investment Monitoring Services Fees

Where a client has engaged us to provide investment monitoring services, we do so on a fee basis. We charge an annual fixed fee. These fixed fees can range from $7,000 to $50,000 per year and are charged quarterly in advance. Such annual fixed fees also may cover financial planning services.

Retirement Plan Management and Consulting Fees

In the event a client engages us to provide retirement plan services, we will do so on a fee basis. We will charge an annual fee based upon a percentage of the market value of the assets which we provide discretionary or non-discretionary investment management and non-fiduciary consulting services. The annual fee varies, depending upon the market value of the assets on which we provide services and the type of services to be rendered. Our profile retirement plan services client has $1 million or more in plan assets; however, we reserve the right to accept and work with those plans with less than $1 million in plan assets.

Where we are providing retirement plan services the annual management fee would range from 0.10% to 1.00%. Notwithstanding the foregoing, we can charge a minimum quarterly fee between $1,250 and $1,500 for retirement plan services. The minimum quarterly fee can cause clients to pay fees that exceed those in the percentage range above. In determining the value of the assets for purposes of calculating asset-based fees, we will rely upon the valuation of assets provided by the Sponsor or the Plan's custodian or recordkeeper without independent verification.

Our annual consulting fee and annual management fee are exclusive of, and in addition to, brokerage commissions, transaction fees, record-keeper fees, custodian fees, third-party administrator fees, investment manager fees under ERISA Section 3(38) when we are not engaged to act in that role, fund management fees and other fund expenses and other related costs and expenses that the client may incur. We will not receive any portion of these commissions, fees, and costs. For retirement plan services clients who pay a fee based upon a percentage of the market value of the assets which we manage or on which we consult, our annual consulting fee and annual management fee will be prorated and charged quarterly either in advance or in arrears (for the BSP relationship) depending on the arrangement with the client and is based upon the market value of the assets on which we are consulting or managing on the last day of the previous quarter. For legacy Parsec clients under the terms of their Parsec service agreement, fees are based on the average daily balance of the assets under management for the previous quarter and are rounded up or down with amounts over $0.50 rounded up and those below rounded down.

We also have a contract with BSP for its Advisor Access™ 401(k) services. When using the services of BSP, the retirement plan pays a fee which includes both our and BSP's fee. BSP bills the retirement plan for the Advisor Access™ fees quarterly in arrears based on the market value of the assets managed by the Advisor Access™ program on the last day of the previous quarter through its third-party administrator. BSP retains its portion of the fee and transfers the remainder to us. The annual management fees we charge (which includes BSP's fees) range from 0.40% - 1.00%.

Stand-Alone Financial Planning and Consulting Fees

Unless a client retains us to provide wealth management services, we can charge a fixed fee for stand-alone financial planning and consulting services. These fees generally range from a minimum of $2,000 on a fixed fee basis, depending upon the level and scope of the services and the professional rendering the stand-alone financial planning and/or consulting services. If the client later engages us for wealth management or portfolio management services, we can choose to reduce all or a portion of our fees for those services by the amount the client paid for the stand-alone financial planning and/or consulting services. We usually impose a minimum fee of $2,000 for all stand-alone financial planning and consulting services, which can be assessed on a per project basis. We usually require one-half of the stand-alone financial planning/consulting fee (estimated fixed) payable upon entering into the written agreement. The balance is usually due upon delivery of the financial plan or completion of the agreed-upon services.

Tax Preparation Fees

Fees for tax preparation services will typically range between $600 - $1500 based on the level of complexity. Fees are charged in arrears.

Trust Service Fees

Modera is not compensated for the third-party corporate trustee services provided to certain legacy clients.

Fees Charged by Third-Party Financial Institutions

As discussed further in response to Item 12 below, we recommend that wealth management and portfolio management clients utilize the brokerage and clearing services of Schwab Institutional, a division of Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade Clearing, Inc., a division of TD AMERITRADE, Inc. ("TD Ameritrade"), or Fidelity Investments Institutional Services Company, Inc. ("Fidelity") (each a "Broker Dealer"), and that Retirement Plan Services clients utilize the services of certain retirement plan platforms or service providers with respect to recordkeeping, administrative or custodian services or the client in writing can direct the use of any other trust company, bank, broker-dealer or service provider (collectively, "Financial Institution(s)"). As discussed further in Item 12 below, if a client directs the use of another Broker Dealer, we will not be responsible for negotiating the terms, including pricing, of that directed brokerage arrangement. We can only implement securities transactions or make investment selections with respect to Retirement Plan Service Clients, after the client has arranged for and furnished us with all information and required authorizations regarding accounts with the appropriate Financial Institution(s).

Clients incur certain charges that the Financial Institution(s) and other third parties impose, such as fees charged by Independent Manager(s), custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients can incur brokerage commissions and transaction fees. For Retirement Plan Service clients such fees will include both fixed fees, fees based on asset level and/or per participant charges for services including ancillary charges for certain services that may be selected by the Plan Sponsor. Such charges, fees and commissions are exclusive of and in addition to our annual management fee.

Except for certain clients who choose to be invoiced and pay their annual management fee by check or in some other fashion, our Agreement and/or the separate agreement with the Financial Institution(s) generally authorizes us through the Financial Institution(s) to debit a client's account for the amount of our annual management fee and to remit that fee directly to us in accordance with applicable custody rules. The Broker Dealer(s) used in conjunction with our services have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of annual management fees paid directly to us. It is the client's responsibility to verify the accuracy of the fee calculation. The Financial Institution(s) will not determine whether the annual management fee is properly calculated.

Fees for Management during Partial Quarters of Service

For any partial quarter of any services provided by us the partial quarter's annual fee shall be calculated on a *pro rata* basis. The Agreement between us and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Our prepaid annual fee shall be prorated through the date of termination, and any remaining balance shall be refunded to the client in a timely manner.

Initial billing for legacy Parsec clients under the terms of their Parsec service agreement will not begin until portfolio implementation.

Minimum Quarterly Fee

While we do not have a minimum account size, as a condition for starting and maintaining a wealth management, portfolio management or retirement plan services relationship, we generally impose a minimum quarterly fee as follows: between $2,500 and $5,000 per quarter for wealth management services; between $2,000 and $4,000 per quarter for portfolio management services; and $1,375 per quarter for retirement plan services. For wealth management clients also receiving business coaching and/or real estate coaching services, the minimum quarterly fee for the business coaching and/or real estate coaching services generally ranges from $625 to $6,250 and is in addition to the fee for wealth management services. Notwithstanding the foregoing, we can elect to maintain the pre-existing minimum quarterly fee for legacy clients as stated in Item 5, which can vary from the minimum fee requirements described above.

Additionally, certain Independent Manager(s), if engaged, can impose more restrictive account requirements and varying billing practices than us. In such instances, we may alter our corresponding account requirements and/or billing practices to accommodate those of the Independent Manager(s).

Additions to and Withdrawals from Accounts

Subject to restrictions imposed on contributions and withdrawals applicable to certain investments, including private placement investments, wealth management and portfolio management clients can make additions to and withdrawals from their accounts at any time, subject to the availability of cash and to the settlement of liquidated securities. Clients can withdraw assets subject to the usual and customary securities settlement process. We design our portfolios as long-term investments, however, and the withdrawal of assets can impair the achievement of the client's investment objectives. As to assets invested in private placement investments, clients can make additions to and withdrawals from private placement investments in accordance with the terms of the agreements with the issuers of the private placement investments.

With respect to clients who had an arrangement with an advisory firm that merged with or was acquired by us, we can choose to maintain the client's existing fee structure, which may fall outside the percentage ranges of fees as previously disclosed.

Cash Balances

Some of your assets may be held as cash and remain uninvested. Holding a portion of your assets in cash and cash alternatives, i.e., money market fund shares, may be based on your desire to have an allocation to cash as an asset class, to support a phased market entrance strategy, to facilitate transaction execution, to have available funds for withdrawal needs or to pay fees or to provide for asset protection during periods of volatile market conditions. Your cash and cash equivalents will be subject to our management fees unless otherwise agreed upon. You may experience negative performance on the cash portion of your portfolio if the management fees charged are higher than the returns you receive from your cash.

General Information on Compensation

We, in our sole discretion, can negotiate to waive or charge a greater or lesser annual management fee or minimum quarterly fee based upon certain criteria (e.g., anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, pro bono activities, complexity of the relationship, assets held away, or the client's planning needs). For those clients to whom we provide wealth management services, an ongoing financial planning fee is included as part of our overall annual management fee described above. We, however, can charge an additional initial fixed fee for financial planning services. In certain circumstances involving clients who are members of the same family, we, in our discretion, can aggregate their accounts for billing purposes to permit those clients to meet fee break points or waive minimum quarterly fees based on the aggregated assets but are not required to do so.

Item 6. Performance-Based Fees; Side-by-Side Management

We do not provide any services for which we charge performance-based fees and do not utilize side-by-side management.

Item 7. Types of Clients

We provide our services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations (including foundations and endowments), corporations, and business entities. We do not have a required minimum account size.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our investment philosophy is generally based upon an asset allocation approach using the principles of Modern Portfolio Theory. The principles of this theory are as follows:

1. Markets work. Under most circumstances, capital markets do a good job of fairly evaluating all available information and investor expectations to determine the prices of publicly traded securities.
2. Diversification is key. Comprehensive, global asset allocation can minimize the risks specific to individual securities.
3. Risk and return are related. The compensation for taking on increased levels of risk is the potential to earn greater returns.

Fundamental analysis is utilized to assist with formulation of investment advice and the management of client portfolios. It attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security is underpriced (indicating it may be a good time to buy) or

overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. When we invest our clients' money, we aim to construct a portfolio with a purposeful design that considers long-term historical returns, historical volatility and the correlation between assets.

Portfolio structure explains risk and return. The asset classes that make up a portfolio and the risk levels of those asset classes are responsible for most of the variability of portfolio returns. An "asset class" is a grouping of securities that is similar in terms of performance and patterns of pricing change. Asset classes for stocks are typically composed of security groups based upon size, valuation or domicile (*e.g.*, large capitalization stocks, value stocks, international stocks). Asset classes for bonds are typically composed of security groups based upon maturity length, credit quality, issuer type and domicile (*e.g.*, intermediate-term bonds, high yield bonds, corporate bonds, foreign bonds). An asset class also may be made up of unique groupings of non-traditional assets such as real estate, commodities, and energy strategies.

We combine multiple asset classes in varying proportions to create a diversified portfolio intended to achieve a desired rate of return with the least possible amount of risk for that targeted level of return. We offer portfolios across multiple spectrums of expected risk, depending upon the differing rates of return desired by our clients. Our goal is to optimize the risk-return relationship appropriate to a client's objectives and risk tolerance.

We view market timing as not adding value over the long term. Our goal is to stay fully invested within specific client parameters. Studies of asset class performance strongly suggest that stocks that are valued lower than their peers using certain valuation methods and smaller in size, generally have had superior rates of return potential. Accordingly, we tilt the equity weighting of our portfolios toward these factors. In certain circumstances, as noted in Item 4 above, however, for certain wealth management or portfolio management clients we may allocate a portion of their assets to active management on a discretionary basis by certain Independent Manager(s) based upon the client's stated investment objectives and risk tolerance.

Generally, the asset classes with the greatest amount of risk historically have generated the highest rates of return. We counsel clients needing or looking for higher return potential to increase their exposure to equity assets where we anticipate higher expected returns based on historical data. Conversely, we encourage clients with modest return requirements or low tolerance for risk to hold a higher percentage of fixed income assets.

We selectively will incorporate certain non-traditional asset classes to seek to diversify a portfolio further. These non-traditional asset classes may include commodities, real estate, currencies and non-correlated trading strategies. We may include these asset classes either because of their low historical correlations to traditional stocks and bonds or because they derive their rates of return potential from sources that are unrelated to the traditional capital markets.

We generally use mutual funds and exchange traded funds for all asset classes in a client portfolio. However, we may also select individual stocks and bonds in certain situations when constructing a client's portfolio.

When utilizing individual stock investments, we follow a bottom-up process that seeks to identify high-quality companies, typically with market capitalizations of $3 billion or higher, that are currently trading at attractive or discounted valuations relative to history or to future growth prospects. We look for companies with a long track record of consistent earnings and cash flow growth, healthy balance sheets, and competitive market positions. We prefer companies that engage in shareholder-friendly activities including a history of dividend payments and, when external growth opportunities are subpar, share buybacks.

Specifically, we focus on the following fundamentals in order to identify stocks with attractive risk/reward return profiles:

- Current valuation relative to projected earnings growth;
- Level and consistency of profit margins, earnings and dividends;
- Degree of financial leverage, avoiding heavily indebted companies;
- Return on invested capital versus cost of capital;
- Price/earnings ratio relative to the overall market and to the company's own historical range.

Based on our research and analysis, we have compiled a recommended list of securities. We continually monitor the prices of the securities on this list, as well as any new developments regarding these holdings. In addition, every security in our coverage universe is formally reviewed at least two times a year, and more often if circumstances dictate. The Firm's investment and research teams meet regularly to review individual securities in order to update investment recommendations on a regular basis.

We recommend open-end mutual funds offered by Dimensional Fund Advisors ("DFA"), in addition to other fund companies. DFA open-end mutual funds are only available for investment to clients of registered investment advisers that are subject to approval by DFA. This means that the termination of a client's relationship with us would eliminate the ability of a former client to make additional investments unless the client establishes a relationship with another DFA approved registered investment adviser. On occasion, we can use an Independent Manager for certain fixed income, equity, or other exposure.

The Firm's may integrate Environmental, Social, and Governance ("ESG") principles into the investments recommended for client accounts, as requested by the client as part of their goals, needs, and objectives. Socially responsible investing involves the incorporation of ESG considerations into the investment due diligence process. There are potential limitations associated with allocating an entire or a portion of an investment portfolio in investments with an ESG focus. The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. Note that the number of ESG mutual funds and exchange-traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by the Firm), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.For clients whom the SEC defines as "accredited investors" and/or "qualified purchasers" (exceeding minimum net worth and/or income thresholds as defined in the applicable rules and statutes), we can recommend the use of investments in private placement investments. These can include pooled investment vehicles which invest, among other things, in debt and/or equity securities when consistent with the client's investment objectives and risk tolerance. Such private placement investments are illiquid, and clients may not be able to withdraw their investments for a significant period of time. The decision to invest is at the discretion of the client.

Additions to a client's account can be in cash or securities, provided that we reserve the right to liquidate any transferred securities or to decline to accept particular securities into a client's account. We consult with our clients about the options and ramifications of transferring securities. Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the security level (*i.e.*, contingent deferred sales charge) and/or tax ramifications.

Covered Call Strategy

In certain limited circumstances we may use a covered call strategy. A covered call is an option strategy whereby the investor holds a position in a stock and writes (sells) call options on that same stock in an attempt to generate increased income from the stock. We may utilize this investment strategy for portfolios with concentrated positions (currently defined as an individual stock representing 5% or more of the stock portion of a client's portfolio). We do this with the goal of reducing stock-specific risk by reducing the size of the concentrated position over time, while increasing income by the premiums received for the sale of covered calls against the position(s) in the account.

An investor should consider that the risk level in these accounts is somewhat reduced by the sale of the calls, but the upside potential of the position(s) on which the strategy is being used is also limited by the sale of the calls.

Risk of Loss

Investing in securities involves the risk of loss. While we seek to diversify client's investment portfolios across various asset classes consistent with their investment plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Diversification does not ensure a profit or guarantee against a loss. Clients should be prepared to bear such loss. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

With respect to our Retirement Plan Services, we will select a broad range of investment choices to reflect the different risk tolerances common among participants in retirement savings plans. The selection criteria for those investment choices will utilize that same approach and principles stated above with regard to non-Retirement Plan Services clients.

Investment risk consists of both systematic risk and unsystematic risk. Unsystematic risk is not related to the market as a whole, but rather is associated with a specific investment. Systematic risk is the risk associated with the overall market that is not unique to any one investment vehicle. Following is a more detailed description of the specific risks inherent in the strategies and securities we recommend.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of other factors. In general, unexpected local, regional or global events and their aftermaths, such as pandemics, could have a significant adverse impact on the economy, and business activity in any of the areas in which client investments may be located. Such disruption, or the fear of such disruption, could have a significant and adverse impact on the

securities markets, lead to increased short-term market volatility or a significant market downturn, and may have adverse long-term effects on world economies and markets generally.

Issuer Risk: These risks are associated with a particular industry or a particular company within an industry. The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

Small Company Risk: Securities of companies with smaller market capitalizations may be more volatile and less liquid than investments in companies with larger market capitalizations. Smaller market capitalization companies could increase the volatility of the client's portfolio because of volatility in share price.

Foreign Investment Risk: Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments and reduced legal protection. These risks may be more pronounced for investments in emerging markets or developing countries.

Credit Risk: If debt obligations held by an account are downgraded by ratings agencies, experience a default, or if management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the obligations' value may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

Interest Rate Risk: The prices of fixed income securities generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite also is generally true: fixed income security prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk: Inflation may erode the buying-power of an investment portfolio, even if the dollar value of the investments remains the same.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices.

Strategy Risk/Management Risk: The risk that the selection of investment strategies by the investment adviser does not work as intended or is not successful at achieving the stated goals. There can be no assurance that client portfolios will meet their investment objectives or that investments will not lose money. The value of the portfolios may decrease if the investment adviser pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

Prepayment/Reinvestment Risk: For clients who hold individual fixed income securities, including those using Independent Managers, decreases in market interest rates may result in prepayments of obligations in an account requiring the account to reinvest at lower interest rates.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Real Estate Risk: An account's investments in real estate investment trusts ("REITs") held in mutual funds that may be used in client portfolios are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, declines in property valuations, changes in interest rates, availability of loans and funding, environmental problems, default upon loan obligations and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the REIT's internal expenses, as well as dependency upon cash flows).

Cybersecurity Risk: A breach in cyber security refers to both intentional and unintentional events that may cause an account to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause an account to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures, and/or financial loss.

Item 9. Disciplinary Information

We do not have any legal or disciplinary events that are material to the client's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

National Advisors Holdings, Inc. Shares

National Advisors Trust, as a condition it imposed in doing business with registered investment advisers, required that Modera, Inc., a predecessor to the Firm, purchase shares in National Advisors Holdings, Inc. ("NA Holdings"), the parent company of National Advisors Trust. As a result, in 2001, Modera, Inc. purchased 40 shares of National Advisors Holdings, Inc. In December 2005, we relinquished ownership over those shares when we donated them to the Modera Charitable Foundation, a 501(c)(3) entity we established. The Modera Charitable Foundation since that time has been the sole owner of the NA Holdings shares. Certain owners of Modera, prior to their merger with or asset purchase by Modera, were also subject to the requirement to purchase NA Holdings shares and continue to hold these shares as a personal asset. Neither the Modera Charitable Foundation nor these certain owners , as a result of that ownership, share in fees charged to client accounts by National Advisors Trust. As a shareholder of NA Holdings, however, the Modera Charitable Foundation as well as those certain owners can benefit in the form of dividends or other distributions from NA Holdings.

Chicago Clearing Services

For certain legacy clients, Modera engages Chicago Clearing to provide class action litigation monitoring and securities claim filing services. Chicago Clearing files all claim forms on behalf of clients, monitors all claims, collects applicable documentation, interprets the terms of each settlement, files the appropriate claim forms, interacts with the administrators, and distributes claim awards directly to clients enrolled in the service. Chicago Clearing charges a contingency fee of 15%, which is subtracted from the award when it is paid. The proceeds are then sent directly to the client's account. Unless a client chooses to opt out of this service, they are automatically enrolled as part of the account opening process, and we provide their account transaction information to Chicago Clearing to assist with the class action research. If a client prefers to file their own securities litigation claim forms, they must opt out of the service by opting out as indicated within their advisory agreement as part of the account opening process or provide written notice to us to amend the advisory agreement and opt out. If clients do not participate in this service, they are responsible for pursuing their own claims.

Item 11. Code of Ethics

We have adopted a code of ethics ("Code of Ethics") that sets forth the standards of conduct expected of persons associated with us ("Supervised Persons") and requires compliance with applicable securities laws. Our Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by us or any of our Supervised Persons. The Code of Ethics also requires that certain of our personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investment transactions, including those in "Covered Securities" as described below, initial public offerings and limited offerings.

All Supervised Persons are permitted to buy or sell securities that we also recommend to clients consistent with our Code of Ethics. The Code of Ethics is designed so that the personal securities transactions, activities, and interests of our Supervised Persons will not interfere with: (i) making decisions in the best interests of advisory clients; and (ii) implementing such decisions while at the same time allowing Supervised Persons to invest for their own accounts.

When we are purchasing any security on behalf of a client, no Access Person can engage in a transaction in that security prior to the completion of the purchase on behalf of a client. Similarly, when we are selling any security on behalf of a client, no Access Person can undertake a transaction in that security prior to the completion of the sale on behalf of a client. These limitations are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, banker's acceptances, bank certificates of deposit, commercial paper and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds; and (v) exchange traded funds (ETFs) where the amount of the transaction is less than $10,000. For all other securities (*i.e.*, Covered Securities other than ETFs as described), we require preapproval of trades unless the Access Person's accounts are on our platform and traded as part of our regular portfolio rebalancing process or managed by an independent third-party manager.

Clients and prospective clients can contact us to request and obtain a copy of our Code of Ethics.

Cross Trading

Cross trading involves trading the same or similar securities between client accounts. Certain Independent Managers engage in cross trading when the Independent Manager determines that the cross trading is beneficial to both clients. The details of each Independent Manager's cross trading practices are disclosed in the ADV Part 2A of each Independent Manager. Additional information about Independent Managers, investment strategies, advisory fees and other pertinent information is available and provided in the Form ADV Part 2A of each Independent Manager. Clients should refer to the Independent Manager's Form ADV Part 2A for a full description of the services offered. At no time do we receive transaction-based compensation for cross trades effected by an Independent Manager.

We do not engage in cross trades between client accounts.

Item 12. Brokerage Practices

Certain broker-dealers to whom we direct brokerage transactions provide investment research products and/or services that assist us in our investment decision-making process. All such research is generally available on the broker-dealers website and is not provided to or for us based on any volume of trading activity. We usually use such research and/or services to service all of our clients, and research and/or services obtained may benefit clients who do not utilize the services of the broker-dealer providing the research and/or services. Our receipt of investment research products and/or services and the allocation of the benefit of such investment research products and/or services pose a conflict of interest because we do not have to produce or pay for the products or services. In receiving any such products and/or services, we remain cognizant of our duty of best execution.

Software and Support Provided by Financial Institutions

We may receive from Schwab, TD Ameritrade, Fidelity and/or National Advisors Trust, without or at a reduced cost, computer software and related systems support that allow us to better monitor client accounts maintained at Schwab, TD Ameritrade, Fidelity and/or National Advisors Trust. We can receive these benefits without or at a reduced cost because we render wealth management or portfolio management services to clients who maintain assets at Schwab, TD Ameritrade, Fidelity and/or National Advisors Trust. The software and related systems support may benefit us but not our clients directly. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that our receipt of economic benefits from Schwab, TD Ameritrade, Fidelity and/or National Advisors Trust creates a conflict of interest because these benefits may influence our choice of one broker-dealer over another broker-dealer that does not furnish similar software, systems support or services. In receiving such software, systems support and/or services, we remain cognizant of our duty of best execution.

Specifically, the benefits we receive from Schwab, TD Ameritrade, Fidelity and/or National Advisors Trust through their respective investment adviser and/or institutional divisions can include (but are not limited to): receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its registered investment adviser group participants; access to block trading which

provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; access to an electronic communications network for client order entry and account information; educational materials; attendance at educational or training conferences, seminars or workshops; access to certain job postings or other computer sites; business management, succession and related consultative services; and speakers for firm events.

We also receive certain economic benefits from Dimensional Fund Advisors, a mutual fund provider in whose funds we invest client assets. The benefits we receive from Dimensional Fund Advisors include (but are not limited to) research; educational or training conferences, seminars, workshops, or study groups; forums designed to educate chief operations officers and chief compliance officers; and speakers for firm events. We also can receive benefits from other fund companies in the form of attendance at various educational conferences, seminars, or study groups.

Fidelity and eMoney Financial Planning Software

As described above, Fidelity provides custody, brokerage and clearing services to us. Fidelity Investments, of which Fidelity is a division, is the owner of eMoney Advisor, a financial planning software that we use. As a result of our use of Fidelity's custody, brokerage and clearing services, we receive a discount on licenses for the use of the eMoney software. The discount we receive on licenses is not dependent on the amount of our clients' assets on the Fidelity platform or the amount of brokerage transactions directed to Fidelity. There is no direct link between our arrangement with eMoney for the financial planning software and the investment advice given to our clients, although we receive an economic benefit from the arrangement that is not typically available to retail investors.

We continually seek to ensure that any such conflicts are fully disclosed and handled in a manner that is consistent with our clients' best interests.

Directed Brokerage

As discussed above in Item 5, we recommend that clients utilize the custody, securities brokerage and/or clearing services of Schwab, TD Ameritrade, and Fidelity. In addition, with respect to Retirement Plan Services clients, we may recommend that a plan use a certain retirement plan platform or service provider (such as a recordkeeper, administrator or broker dealer). We are not affiliated with any of these Financial Institutions.

Factors we consider in recommending Schwab, TD Ameritrade, Fidelity, or any other broker-dealer to clients include the quality of overall services provided, commission and transaction fees charged, creditworthiness and business reputation, promptness and accuracy of orders and facilities, including hardware and software, provided to us. Schwab, TD Ameritrade, and Fidelity enable us to obtain for our clients many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees Schwab, TD Ameritrade, and Fidelity charge may be higher or lower than those charged by other Broker Dealer(s).

We consider the following when recommending that a plan use a certain retirement plan platform or service provider (such as a recordkeeper, administrator or broker dealer): the reasonableness of fees charged, the availability of a dedicated service team and availability of a user-friendly website.

The commissions our clients pay will comply with our duty to obtain "best execution." A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the overall brokerage and other services received. In seeking best execution, the determinative factor is not the lowest possible cost but rather whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services. These include but are not limited to, any research available, execution capability, commission rates and responsiveness. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

If a client requests that we arrange for the execution of securities brokerage transactions for the client's account, we will direct such transactions through broker-dealers that we reasonably believe will provide best execution. Transactions may be cleared through other broker-dealers with whom we and the Broker Dealer(s) have entered into agreements for prime brokerage clearing services. We periodically review our policies and procedures regarding recommending broker-dealers to our clients in light of our duty to obtain best execution.

The client can direct us in writing to use a particular broker-dealer other than Schwab, TD Ameritrade, or Fidelity to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with the client's chosen broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "block" trade client transactions for execution through other broker-dealers with orders for other accounts managed by us (as described below). As a result, the client who directs us to use a particular broker-dealer may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the account than otherwise would be the case. Subject to its duty of best execution, we can decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Securities transactions for clients will be affected at the individual client level unless we decide to purchase or sell the same securities for several clients at approximately the same time. We can (but are not obligated to) combine or "block" trade such orders so as to obtain best execution or to allocate equitably among our clients any differences in prices and commissions or other transaction costs that might have been incurred had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among our clients *pro rata* to the purchase and sale orders placed for each client on any given day. To the extent that we decide to block trade client orders, we will do so in accordance with applicable rules and regulations. We shall not receive any additional compensation or remuneration as a result of the block trading of orders.

In the event that we determine that a *pro rata* allocation of a block traded order is not appropriate under the particular circumstances, the allocation to client accounts will be made based upon other relevant factors,

which include: (i) when only a small percentage of the order is executed, shares can be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios with similar mandates; (ii) allocations can be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares can be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations can be given to accounts low in cash; (v) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, we can exclude the account(s) from the allocation, and the transactions can be executed on a *pro rata* basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares can be allocated to one or more accounts on a random basis. For legacy Parsec clients, until their trade desk is integrated into the Modera trade desk, any partial fills of block trades will be allocated on a random basis as determined by the trading software utilized.

Item 13. Review of Accounts

For those clients to whom we provide wealth management or portfolio management services, we monitor those portfolios as part of an ongoing process. We conduct regular account reviews on at least a quarterly basis using an automatic portfolio rebalancing software solution and review by a member of its Portfolio Management Team. One of our investment adviser representatives conducts account reviews of proposed trades.

Each asset class within a portfolio has a tolerance band around which we allow a client's target weighting to drift. These tolerance bands are defined on both a relative and absolute basis. Relative tolerance bands are +/- 20% of the target weighting and the absolute tolerance band is equal to +/- 3% of the target. Each is used with the selection of which band to use based on that which results in the tightest band. For example, asset classes with smaller weights usually have relative bands and larger asset classes usually have absolute bands. Portfolios of legacy clients will be integrated into these tolerance bands over a period of time.

We will contact you at least once a year to review our Retirement Plan Services. It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with us. Plans may receive written reports directly from their other service providers based upon the services being provided, including but not limited to reports related to benchmarking of fees, demographics of the plan, contribution data and fund performance.

All of our clients are encouraged to discuss their needs, goals, and objectives with us and to keep us informed of any changes thereto. We contact ongoing wealth management and portfolio management clients at least annually to review our previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. Additional account reviews may be necessary due to a change in client goals and objectives, economic or market conditions or specific client requests.

Wealth management and portfolio management clients will receive transaction confirmation notices and regular summary account statements directly from the Broker Dealer(s) for the client's accounts. Those clients to whom we provide wealth management or portfolio management services also will receive a report from us on a quarterly basis that can include relevant portfolio and/or market-related information such as an inventory of portfolio holdings and portfolio performance. For certain portfolio management clients with smaller portfolio balances, however, we will provide such information on request.

For those clients to whom we provide stand-alone financial planning and/or consulting services, we conduct portfolio reviews on an "as needed" basis as requested by the client. Those clients to whom we provide stand-alone financial planning and/or consulting services will receive reports from us summarizing our analysis and conclusions as requested by the client or as otherwise agreed to in writing by us.

Item 14. Client Referrals and Other Compensation

When we enter into any client referral relationships with either an unaffiliated or affiliated promoter and a client is introduced to us through that relationship, we can pay a referral fee in accordance with applicable securities laws. Unless otherwise disclosed, any such referral fee will be paid solely from our annual management fee and will not result in any additional or increased charge to the client. In these circumstances, the client is provided our written regulatory disclosure brochures which includes a disclosure statement containing the terms and conditions of the referral fee arrangement, including compensation to be paid if the prospective client retains us along with a statement of material conflicts of interest. Any affiliated promoter whom we engage will be required to disclose the nature of his/her relationship to prospective clients and will provide all prospective clients with a copy of our written regulatory disclosure brochures which contain disclosures regarding employee compensation for referrals. We have relationships in place with unaffiliated promoters for which we continue making payments for client referrals. In addition, the Firm currently continues making payments to unaffiliated promoters for past client referrals even though the promoter is not actively seeking or referring new clients to us.

We compensate our employees for new business development. Employees will receive payment related to fees generated by the applicable client. Therefore, employees have an economic incentive to recommend our advisory services.

There are legacy Parsec client referrals from Charles Schwab & Co., Inc. ("Schwab") through Parsec's participation in Schwab Advisor Network® ("SAN"). Modera pays Schwab continuing participation fees for client referrals received through participation in SAN for as long as the referred client remains a client of the Firm.

Item 15. Custody

As discussed above, the Agreement and/or the separate agreements with the Financial Institution(s) can authorize us through the Financial Institution(s) to debit the client's account for the amount of our annual management fee and to remit that fee directly to us in accordance with applicable custody rules. The Broker Dealer(s) used in conjunction with our services have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of annual management

fees paid directly to us. In addition, as discussed in Item 13, we send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Broker Dealers(s) and compare them to those they receive from us.

We will not serve as a custodian for Plan assets in connection with our Retirement Plan Services. The Sponsor is responsible for selecting the custodian for Plan assets but may be listed as the contact for the Plan account held at an investment sponsor or custodian. The Sponsor for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. We recommend that the Sponsor review the statements and reports received directly from the custodian or investment sponsor.

We do not maintain physical custody of client assets; client assets are custodied by one or more Financial Institution(s). The Firm is deemed to have custody of client funds because it has the ability to authorize the Financial Institution(s) to debit its management fee. The Firm also is deemed to have custody by virtue of Standing Letters of Authorization ("SLOAs") entered into by certain clients that provide us with the ability to initiate transfers of client funds pursuant to and within the scope of a pre-defined authorization agreement established by the client. The Firm is also deemed to have custody due to login credentials for certain held-away accounts that it retains to enable us to perform certain services for the client. We are subject to a surprise examination by an independent public accounting firm that is registered with and subject to examination by the Public Company Accounting Oversight Board.

Item 16. Investment Discretion

When providing wealth management or portfolio management services to clients, we are usually given the authority to exercise discretion on behalf of those clients in managing their portfolios. Exercising investment discretion over a client's account means we can affect transactions for the client without first having to seek the client's consent. We are given this authority through a limited power-of-attorney included in the advisory agreement and in the client's agreement with the Broker Dealer(s). Clients can request a limitation on this authority (such as that certain securities are not to be bought or sold).

We take discretion over the following activities:

- The securities to be purchased or sold;
- The price at which the securities are purchased or sold;
- The amount of securities to be purchased or sold;
- When securities are purchased or sold; and
- The Independent Manager(s) to be hired or fired.

With respect to certain legacy clients, we may also manage accounts on a non-discretionary basis meaning that we cannot affect transactions for the client without first seeking the client's consent.

When providing Retirement Plan Services described herein, we may exercise discretionary authority or control over the investments specified in the Agreement. We perform these services to the Plan as a fiduciary under ERISA Section 3(21) and investment manager under ERISA Section 3(38). We are legally required to act with the degree of diligence, care, and skill that a prudent person rendering similar services would

exercise under similar circumstances. This discretionary authority is specifically granted to us by the Sponsor, as specified in the Agreement.

Item 17. Voting Client Securities

We do not vote proxies for clients except on behalf of certain legacy Parsec clients who have opted into such service under the terms of their service agreement. Also, Independent Manager(s) selected by us to manage a portion of client assets may vote proxies on behalf of clients depending on the terms of the contract between us and/or the client and the designated Independent Manager(s).

For those legacy Parsec clients for whom Modera is voting proxies, Modera retains the final authority and responsibility for such voting subject to any specific restrictions or voting instructions by clients.

We have adopted standard voting parameters addressing the vast majority of proxy matters with which it is familiar. In addition, we review our proxy voting practice to determine whether any material conflicts of interest are present. In the event of a vote involving a conflict of interest that does not meet the specific voting parameters of our proxy voting guidelines or requires additional company-specific decision making, Modera may seek an independent recommendation or request client consent on the issue.

Modera uses Egan-Jones, an independent provider of global governance services, to research proxy voting matters and make recommendations that serve the best interest of shareholders. In short, the proxy voting guidelines support practices that Egan-Jones believes are in the best interest of shareholders, with an additional overlay that supports:

- Board refreshment and diversity
- Compensation plans that reward pay for performance
- Environmental sustainability reporting and disclosure
- International human rights standards

Clients may request a copy of Modera's complete proxy voting policy from the Chief Compliance Officer. Clients may also request voting records of how securities have been voted in their particular account. Please provide Modera with a reasonable time to compile records following a client request.

Clients for whom Modera does not vote proxies will receive their proxies directly from their custodian.

Item 18. Financial Information

We do not require or solicit the prepayment from clients of more than $1,200 in fees six months or more in advance of services rendered. We do not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

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