

# **Envoy Advisory Inc.**

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**March 14, 2024**

## **PART 2A - APPENDIX 1 WRAP FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of Envoy Advisory Inc. and its supervised personnel. If you have any questions about the contents of this brochure, please contact us at the phone number listed below. 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. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

Additional information about the firm and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their Disclosure Brochure when information becomes materially inaccurate. If there are any material changes to an adviser's Disclosure Brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 30, 2023, we have the following material change to report.

- Item 4, Services, Fees and Compensation
  - TD Ameritrade Institutional was acquired by Charles Schwab & Co., Inc. All existing TD Ameritrade accounts were transferred to Schwab's platform in September 2023. All disclosures related to TD Ameritrade have been removed and replaced with Charles Schwab references and disclosures specific to products and services provided by Charles Schwab that benefit clients and/or our firm.

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## Item 4 Services, Fees, and Compensation

### Description of Firm

Envoy Advisory Inc. ("Envoy Advisory" or "Envoy") was initially established in late 2010 and has since transitioned to new ownership in late 2019 as part of a succession plan. Envoy provides investment advisory services predominately to plan sponsors of 403(b) retirement plans and their participants ("Plan Sponsors" and "Participants"). In addition, Envoy offers investment advisory services to individuals (collectively "clients"). The firm is wholly owned by HIS Envoys Group, LLC, a holding company owned by Harvest Investment Services, LLC and Harvest Financial Planning, LLC.

As used in this Disclosure Brochure, the words "we", "our" and "us" refer to Envoy Advisory Inc. and the words "you", "your" and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person in this Disclosure Brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through a wrap-fee program ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services *for one all-inclusive fee*. If you participate in our wrap fee program, you will pay our firm a single program fee, which includes our management fees, any Third-Party Manager fees, and transaction costs. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a written agreement with our firm, and a separate agreement with the Third-Party Manager, that set forth the terms and conditions of the engagement and describes the scope of the services to be provided by each party, and the fees to be paid.

### Client Investment Process

We offer portfolio management services on a discretionary and non-discretionary basis where we arrange for clients to enter into an investment advisory engagement with another registered investment adviser ("Third Party Manager"), such as Harvest Investment Services, LLC, an affiliated entity, that will manage the client's portfolio on a discretionary basis.

As part of our investment advisory services, we will provide advice on a continuous basis taking into consideration each client's investment and financial circumstances. These services include an initial consultation along with follow-up consultations, as may be agreed, to discuss your investment objectives, time horizon, risk tolerance, tax circumstances, and various other financial factors. We will ask that you complete certain investor questionnaires, onboarding forms, and other documents to assist us in gathering information about your financial needs and circumstances. Based on our evaluation of the foregoing factors, we will use the information to select a strategy that enables our firm to give you continuous and focused investment advice.

As noted above, our management services require you to grant discretionary investment authority to a Third-Party Manager. Discretionary authorization will allow the Third-Party Manager to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Our firm conducts initial and ongoing due diligence on these managers and their respective investment strategies.

In addition to our ongoing monitoring of your portfolio, we will also be responsible for collecting and maintaining information on each client's financial circumstances, and communicating such information to the appropriate Third-Party Manager as may be necessary in efforts to ensure that investment strategies are aligned with each client's investment objectives. As required, we will deliver the disclosure brochures associated with the selected Third-Party Manager along with other applicable information. Please refer to the disclosure brochure of the selected Third-Party Manager for information on their investment strategies and whether you can impose restrictions that would limit their discretionary authority (for example, limiting the types of securities that can be purchased for your account).

Our firm evaluates various information about the Third-Party Manager we recommend, which may include public disclosure documents, materials supplied by the manager and other third-party analyses we believe are reputable. Additionally, we will evaluate the Third-Party Manager's investment strategies and past performance. We will also take into consideration each Third-Party Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. On an ongoing basis, our firm monitors the performance of those accounts being managed by the Third-Party Manager(s). We will seek to ensure that the selected Third-Party Manager's strategies and target allocations remain aligned with our clients' investment objectives and overall best interests.

Client assets for managed accounts are generally held at Charles Schwab & Co., Inc. ("Schwab"), an unaffiliated qualified custodian. Schwab also acts as executing broker/dealer for transactions placed in Program accounts, and provides other administrative services as described throughout this Disclosure Brochure. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by Schwab and the advisory fees charged by investment advisers.

### **Changes in Your Financial Circumstances**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

### **The Program Fee**

We charge an annual "wrap-fee" for participation in the Program depending upon the market value of your assets under our management. You are not charged separate fees for the different components of the services provided by the Program. Our firm pays all trade expenses of trades placed on your behalf. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.).

On an annualized basis, our Program fees are as follows:

Assets Under Management	Maximum Annual Fee as % of Portfolio*
\$0 - \$49,999	2.80%
\$50,000 - \$99,999	2.75%
\$100,000 - \$249,999	2.50%
\$250,000 - \$499,999	2.25%
\$500,000 - \$749,999	2.00%
\$750,000 - \$999,999	1.80%
\$1,000,000 - \$1,499,999	1.50%
\$1,500,000 - \$1,999,999	1.25%
\$2,000,000 and over	negotiable

\*In limited circumstances, we may negotiate a fee higher than our stated maximum fees disclosed above. Under no circumstances will we negotiate an annual fee at or above 3.00% of assets under management.

As a client, you should be aware that the wrap fee charged by our firm may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through our firm's wrap fee program on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown above.

Our portfolio management fee is billed and payable monthly in advance based on the value of your account on the last day of the previous month. All asset-based fees are billed in advance. For the avoidance of doubt, there are no fees payable to us for the first month of our engagement. However, in the event the advisory agreement is terminated as of any date other than the end of a calendar month there is no rebate of prepaid fees for that month.

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, the recommended investment strategies are designed as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

We will deduct the wrap program fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. The wrap program fee includes the Third-Party Manager fee, which may be billed separately or may be consolidated. The qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account, including fee deductions. You should review all statements for accuracy.

We encourage you to review the statement(s) you receive from the qualified custodian. If you find any inconsistent information, please call our main office number located on the cover page of this Disclosure Brochure.

### **Termination of Advisory Relationship**

You may terminate the wrap fee program agreement at any time. As noted above, in the event the advisory agreement is terminated as of any date other than the end of a calendar month there is no rebate of prepaid fees for that month. We typically charge a \$95 administrative fee to process the transfer or closing of a client account. Upon terminating the wrap fee agreement, we reserve the right to charge an administrative fee to process the transfer or closing of your account(s).

Upon termination of accounts held at Schwab, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Wrap Fee Program Disclosures**

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment program described in this Disclosure Brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

### **Additional Fees And Expenses**

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the account.

The Program Fee does not include mark-ups and mark-downs, dealer spreads, or charges for transactions not executed through the Qualified Custodian. Your account will be responsible for these additional fees and expenses. Additionally, Clients may be subject to additional fees charged by the client's acting custodian and/or regulatory authorities. We do not receive, directly or indirectly, any of the following fees that may be charged to you. All of these fees may not be applicable but if charged they include, among others:

- Accounts holding Alternative Investments will be charged an annual custodial fee per position per account per year and in addition to that, an upfront fee;
- Advisory fees and administrative fees charged by Mutual Funds/Exchange Traded Funds (ETFs);
- Custodial Fees;
- Deferred sales charges (on Mutual funds or annuities);

- Wire transfer and electronic fund processing fees; and/or,
- Annual IRA fees and/or IRA closing fees.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

We may trade client accounts on margin. Each client must sign a separate margin agreement *before* margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

### **Brokerage Recommendations**

For clients engaging our firm for portfolio management services under the wrap fee program, we typically require clients to open one or more custodial accounts in their own name at a qualified custodian, such as Charles Schwab & Co., Inc., ("Schwab") member FINRA/SIPC, among others, for which our firm has an established relationship. If you do not direct our firm (and/or the selected Third-Party Manager") to execute transactions through a qualified custodian to whom we have an existing relationship with, we reserve the right to not accept your account.

Schwab offers independent investment advisers services that include custody of securities, trade execution, clearance and settlement of transactions. Our firm may receive some benefits from Schwab through its participation in the program. Our firm or our Associated Persons may receive benefits such as assistance with conferences and educational meetings from product sponsors. In recommending a broker dealer we will endeavor to recommend those brokers or dealers that will provide quality services at reasonable fees. The reasonableness of such fees is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the custodian's reputation, execution capabilities, and responsiveness to our clients.

As disclosed above, we participate in Schwab's institutional customer program, and we may recommend Schwab to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to its clients. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Schwab may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by Schwab through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at Schwab.

Other services made available by Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our Associated Persons personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of Schwab for custody and brokerage services.

### **Research and Other Soft Dollar Benefits**

As a registered investment adviser, we may have access to research products and services from your account custodian and/or other brokerage firms. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the service platforms of these firms and considered a benefit to our firm, but are *not* considered to have been paid with soft dollars. To the extent our firm receives any research products and/or services from your acting custodian/broker-dealer, a conflict of interest arises in that such research and/or services might not directly benefit client accounts. In effort to mitigate this conflict of interest it is our firm's policy to use such research or services to assist in making investment decisions on behalf of client accounts or to assist with our overall responsibility for servicing client accounts, respectively. Clients should also be aware that the commissions charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. As a registered investment adviser our firm and representatives of our firm have a fiduciary duty to act in our client's best interest.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Block Trades**

The Company generally does not aggregate client transactions. Accordingly, clients are advised in the Company's Form ADV that different clients may receive different prices on securities transactions and may not be able to purchase or sell the same quantity of securities. However, the Company may execute block orders for a single client relationship with multiple accounts.

The selected Third-Party Manager may combine multiple orders for shares of the same securities purchased for advisory accounts (this practice is commonly referred to as "block trading"). The Third-Party Manager will distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Please refer to each Third-Party Manager's disclosure brochure for specific information on their actual practices.

**Custody**

Your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Separate and apart from this wrap fee program, our firm provides other investment advisory services where we are deemed to have imputed constructive custody due to our common ownership with Envoy TPA & Recordkeeping, Inc. Imputed constructive custody occurs when a related person has or is deemed to have custody of client funds or securities. Pursuant to SEC requirements our firm hires an independent accountant on an annual basis to audit those client funds or securities for which we are deemed to have custody.

**Assets Under Management**

As of December 31, 2023, we provide continuous management services for \$451,108,851 in client assets on a non-discretionary basis.

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

Envoy primarily provides investment advisory services to ERISA and non-ERISA Employer-Sponsored Retirement Plans. Additionally, Envoy provides services to certain individuals with qualified and nonqualified account(s). Envoy does not have a minimum initial account value, but account minimum requirements might be imposed by the selected Third-Party Manager.

**Item 6 Portfolio Manager Selection and Evaluation**

We are the sponsor for the Program. We will recommend one or more Third-Party Managers through the course of serving you, and the evaluation of each such manager will be based on data and information from several sources, including the manager, and independent databases. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. We will also review the manager's Form ADV Part 2 in our evaluation process.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

*Risk:* The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical Analysis – involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

*Risk:* The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

*Risk:* Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

*Risk:* Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of time.

#### Use of Third-Party Managers

We often recommend the use of Third-Party Managers. In these situations, our firm continues to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Third-Party Manager's ability to successfully implement their investment strategies.

#### Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

The primary risks involved in the securities recommended by Envoy may include, among others:

- *Market risk*, is the chance that stock prices overall, will decline. The market value of equity

securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term because of factors affecting the individual companies, industries or the securities market. Equity securities generally have greater price volatility than fixed income securities.

- *Industry Sector risk*, is the chance that significant problems will affect a sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, is the risk of concentrating investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks but may lag growth stocks in an up market.
- *Smaller company risk*, is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Investments in emerging markets are generally more volatile than investments in developed foreign markets.
- *Interest rate risk*, is the chance that bond prices overall will decline because of rising interest rates. Similarly, the income from bonds or other debt instruments may decline because of falling interest rates.
- *Credit risk*, is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline.
- *Exchange Traded Fund (ETF) risk*, is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for several reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, is the risk that the investment techniques and risk analyses applied by portfolio managers may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available. There is no guarantee that a client's investment objectives will be achieved.
- *Manager Risk*, is the risk that third-party managers we recommend managing a portfolio within a designated style or risk profile, fail to adhere to their portfolio investment policy or mandate.

Clients are advised that they should only commit assets for management that can be invested for the long-term, that volatility can and will occur, and that all investing is subject to risk. Consequently, the value of an account may at any time be worth less than the amount initially invested.

Envoy does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, produce excess market returns, or insulate clients from losses due to market corrections or declines.

### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 7 Client Information Provided to Portfolio Managers**

As required, in order to provide the Program services, we will provide your private information to your account custodian. We may also provide your private information to mutual fund companies and/or selected Third-Party Manager. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

### **Privacy Policy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this Disclosure Brochure if you have any questions regarding this policy.

## **Item 8 Client Contact with Portfolio Managers**

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account.

## Item 9 Additional Information

### **Compensation for the Sale of Other Investment Products**

Some investment adviser representatives of our firm are also licensed as insurance agents and may sell insurance products through an unaffiliated insurance agency. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have a financial incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

*Lower fees for comparable services may be available from other services.*

### **Affiliated Entities**

Envoy Advisory is a subsidiary of HIS Envoys Group. In addition, Envoy TPA and Recordkeeping, Inc. (Third Party Administration and Recordkeeping services), Envoy Financial, Inc. (marketing and communications), and Envoy IRA, LLC are other subsidiaries providing separate and distinct services to Plan Sponsors, Plan Participants, IRA holders and individuals. No financial industry company can avoid all conflicts of interest, but we strive to clearly disclose our business services, relationships and fees in a transparent fashion.

Envoy TPA and Recordkeeping, Inc. is an affiliated company which provides Plan accounting and administration, trade processing, mutual fund shareholder services, and record-keeping services to Plan Sponsors and Participants, and clients for additional fees which are set forth in separate agreements.

Envoy Financial is an affiliated company that focuses on client education, but this entity does not earn any separate compensation or fees.

Envoy IRA, LLC is an affiliated company that was created for eventual IRA business, though at present, all IRA business is under Envoy Advisory, Inc. As Envoy's IRA service grows and diversifies, the income from those services and the expenses associated with providing them will be captured in Envoy IRA, LLC and not be part of the Envoy Advisory expense or income structure.

HIS Envoys Group, LLC is a subsidiary of Harvest Investment Services LLC ("Harvest Investments"), an SEC-registered investment adviser that provides actively-managed model investment portfolios and several collective investment funds. Envoy will recommend both the managed account model portfolios and the collective investment funds managed by Harvest Investments to its clients which will result in management fees being paid to its affiliate in addition to the fees the clients have agreed to pay to Envoy. Envoy will not retain Harvest Investments in any discretionary accounts unless there is an offset of the fees payable to Harvest Investments in the fees payable to Envoy, but for accounts where Envoy is merely making a recommendation and the client retains investment authority, no offset will be offered (although Envoy will fully disclose the conflict when applicable). As noted above, we are also under common control and ownership with Harvest Financial Planning, LLC, an owner of Harvest Investments.

Harvesting Kingdom Resources, LLC is the sponsor and investment manager of the HIS Kingdom Resources Trust (the "Fund"), an affiliate of our firm through common ownership and management. Harvesting Kingdom Resources, LLC provides discretionary investment advisory and portfolio management services to the Fund.

Referrals to an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by our affiliates is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

Our firm is affiliated with Harvesting Kingdom Resources, LLC, which is the Sponsor and investment manager of the HIS Kingdom Resources Trust (the "Fund"), an affiliate of our firm. Harvesting Kingdom Resources, LLC provides discretionary investment advisory and portfolio management services to the Fund. Please refer to our Form ADV Part 2A Disclosure Brochure for more information.

Referrals to an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by our affiliates is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

#### **Disciplinary Information**

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940, as amended (the "Advisers Act") investment advisers are required to provide their clients with disclosure as to any legal or disciplinary activities deemed material to the clients' evaluation of the adviser. Envoy has nothing to report.

#### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Code of Ethics also requires that certain persons associated with our firm submit reports of their personal reportable securities account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Disclosure Brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Disclosure Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Review of Accounts**

We monitor client portfolios as part of an ongoing process while account reviews are conducted periodically. The reviews are designed to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

The Investment Adviser Representative assigned to your account will review your portfolio. The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You will receive trade confirmations and monthly or quarterly statements from your account custodian.

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

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Charles Schwab & Co., Inc.

#### Non-employee Solicitor

We may directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. Alternatively, the Solicitor may receive a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Financial Information**

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

## **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.

## **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  1. Employer retirement plans generally have a more limited investment menu than IRAs.
  2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  1. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.

5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond a certain age.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  1. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this Disclosure Brochure.

### **IRA Rollover Recommendations**

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

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 creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.