

## Item 1. Cover Page



# Part 2A of Form ADV The Brochure

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March 30, 2021

This brochure provides information about the qualifications and business practices of Advisor OS, LLC (“AOS”). If you have any questions about the contents of this brochure, please contact us at 888 267-4820. 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.

Additional information about AOS is also available on the SEC’s website at: [www.sec.gov](http://www.sec.gov).

## Item 2. Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary. At this time there are no material changes.

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## Item 4. Advisory Business

AOS is an SEC-registered investment adviser formed in Texas in 2017 to provide an asset management and operations program to assist registered investment advisers and their clients with the complex task of due diligence, asset management, trading, performance monitoring, and marketing and business development. The firm is principally controlled by Joseph Taiber, Philip Kosmala, and Ryan Borer.

### Overview

AOS provides investment and operational platform services (“Program”) to registered investment advisers (“Advisers”) and their clients. AOS builds custom Programs for advisers in which they direct the assets of their clients be allocated in various model portfolios created by AOS or third-party managers appointed by AOS based upon a rigorous due diligence process. In addition, AOS, as part of its Program service, provides operational and administrative services and otherwise assists and supports the Advisers’ business operations. Such assistance may involve marketing and business development, technology support, billing and administrative support, performance reporting and the provision of analytical tools, together with a collaborative environment of advisors to share ideas and best practices.

Please see Item 8 for a description of the firm’s investment process, including the methods of analysis, investment strategies, and the types of securities utilized in the provision of its services. As part of its service offering AOS will provide flash reports on significant market events, weekly communication concerning market highlights, as well as monthly capital markets commentary and more in-depth capital market highlights.

## **Research**

AOS will provide investment vehicle due diligence and comprehensive research and strategy reports. In addition, the firm will provide recommended strategic asset/style allocations and investment strategies together with recommendations on rebalancing and manager changes. Please see Item 8 for additional information on methods of analysis and investment strategies.

## **Identification, Selection and Ongoing Monitoring of Third-Party Managers**

Under the Program, AOS, third-party investment managers and / or other separate account managers appointed by AOS, (collectively, the “Managers”) provide access to managed accounts and model portfolios (the “Portfolios”), the Advisers determine which Portfolios the Client assets are to be invested in, and thereafter AOS implements all trades or trade instructions necessary to cause such assets to be invested in the Portfolios.

In its discretion, Adviser will from time-to-time direct that assets of its Clients (the “Assets”) be allocated into, and invested in, one or more of the Portfolios. Adviser will be solely responsible to designating which Clients will participate in Portfolios made available through the Program and the amount of client assets to be allocated to one or more portfolios. A client shall be deemed accepted by AOS to participate in the Program upon AOS’s acceptance of all necessary data and instructions with respect to that client provided by Adviser and delivered through the electronic portal or other electronic medium that is made available to Advisers by AOS and a part of the Program (the “Portal”).

AOS will establish an account for each client with Program assets. AOS, in its discretion, may impose requirements and conditions on the opening and on-going maintenance of an account that participates in the Program. Adviser, subject to any restrictions imposed on the Adviser by the client, will, at all times, be solely responsible for determining and then monitoring whether any assets are invested in any portfolio, and if so, that amount of assets to be allocated among one or more portfolios, both initially and throughout the participation in the Program. Unless otherwise reserved to a client under the investment advisory agreement between Adviser and client (the “client agreement”), Adviser will all times retain discretion to determine how Assets are allocated among the portfolios. If reserved to a client, the client will decide how such client’s assets will be allocated among the portfolios. In all cases, Adviser is responsible for communicating to AOS how assets are to be allocated among the portfolios.

All clients will be considered clients of Adviser and not of AOS, and therefore Adviser will have the primary contact with clients on an on-going basis. In all cases, the Advisor will be considered a client of AOS. Adviser shall be solely responsible for informing and advising each client on the allocation of their assets, the investment vehicles utilized by a portfolio in which that client’s assets

are allocated (including their objectives).

Adviser or the client (as provided in the client agreement) will be solely responsible for designating a custodian for each Account, and the client agreement must authorize AOS and the managers to direct trades for clients' accounts at the custodian.

### **Manager Selection**

At its own expense, AOS in its sole discretion will have the right to engage and terminate any third-party portfolio managers to create and manage any portfolios. AOS will provide Adviser a schedule of managers who have agreed to participate in the Program, and periodically shall update such schedule. The schedule, which describes the investment objectives and styles of each manager or model and other relevant investment criteria, will be included in Program materials provided to Adviser.

### **Portfolio Composition**

AOS, or managers selected by AOS, will retain complete discretion to formulate, monitor, and revise the portfolios. AOS will perform due diligence on recommended product offerings and recommend strategic asset/style allocations and investment strategies in each portfolio.

### **Operations Platform**

#### *New Accounts*

AOS will provide its Adviser clients with the following operational support:

- Managed account set-up
- Maintenance order processing
- Interface with money managers and custodian to process account maintenance requests including: manager changes, rebalancing, tax selling, terminations, distributions, adding/removing restrictions, address changes, DTC transfers, gifting and account-level fee changes
- Error identification and resolution
- Dedicated relationship manager - sales and products
- Dedicated account manager - service and operations initiatives
- Dedicated service representative - day-to-day operational support
- Home office training - technology, new account and maintenance process, BD operations activities

#### *Billing and Payment*

- Portfolio inception billing
- Quarterly billing in arrears, unless otherwise accommodated.
- Unbundled or total fee structure
- Debit the accounts and remit advisor, third party manager, and AOS payments

### *Trade Reconciliation*

- Daily reconciliation of portfolio with portfolio accounting system and custodian to ensure our reporting is accurate and timely.

### *Trading*

Subject to Adviser electing to cause a client's assets to be a part of the Program and allocated into one or more portfolios, AOS, or any manager, has the sole discretion and responsibility for implementing instructions provided to AOS by Adviser respecting the allocation of assets among portfolios. By electing to allocate client assets to a portfolio, subject to any restrictions communicated to AOS, Adviser is granting AOS discretionary authority to make all investment decisions consistent with its direction and this Agreement with respect to the accounts—but in all cases AOS's discretion is limited to implementing transactions necessary to allocate assets among portfolios as directed by Adviser. Such discretionary authority allows AOS, when AOS deems appropriate and without prior consultation with the Adviser or client, to buy, sell, exchange, convert and otherwise trade in any security or otherwise deal with portfolio assets in its discretion and to delegate such investment discretion to managers—but in all cases AOS's discretion is limited to implementing transactions necessary to allocate assets among portfolios as directed by Adviser. AOS or any manager, as applicable, will direct the custodians to effect transactions for the accounts so that assets are invested into and among portfolios, including the implementation of portfolio changes from time to time in their discretion.

### *Portfolio Transaction*

For any client assets that Adviser has directed be a part of the Program and allocated into one or more portfolios, AOS shall be solely responsible for, and shall have full discretion to, place trades for the accounts in the portfolios. AOS will not be liable to clients, Adviser or any manager for any act, conduct, error or omission of custodian or any third-party broker or dealer.

### *Performance Reporting & Portal Communications*

AOS will provide an electronic portal through which it will upload performance reports for secure access by its Adviser clients. The portal will allow Advisers to retrieve quarterly performance reports, on-demand reports, manager support and communications, access to managers' ADV Part 2.

## **Administrative Services**

In addition to making the portfolios available to Adviser, AOS will provide to Adviser those support and administrative services identified below:

### *Software*

AOS's services may include access to and/or use of third-party software by Adviser or indirectly by Adviser's participation in the Program. Use of such software is subject to the terms and conditions of the software provider.

### *Online Services*

Certain deliverables and services that are included in the Program will be provided online through the portal, including: (i) deliverables associated with the Program that are delivered electronically;

and (ii) services provided electronically, including hosting services and software provided electronically. The terms and conditions governing the use the services provided electronically are posted on AOS's website.

## **Marketing Services**

AOS will provide assistance to the Advisers in helping create a brand presence, welcome kit, develop investment proposals, website creation and hosting together with content updates, creation of co-branded marketing materials, newsletter creation, database and event marketing, and related marketing administrative support services. In addition, the firm may provide sales force training and education.

In addition, the firm as mutually agreed upon by the Adviser and AOS, may provide assistance related to event promotion, event coaching, digital marketing, preparation and distribution of social media blog posts, podcasts and related marketing support.

In an effort to show our commitment to our Advisers AOS will provide:

- Advisor-level support
- Dedicated business development representative and regional director
- Systems training (e.g., proposal system, workstations)
- Business development, sales, marketing support

## **Client Assets Under Management**

As of March 30, 2021, AOS has \$579,701,204 in assets under management.

## **Item 5. Fees and Compensation**

### **AOS Services**

For the services contemplated in Item 4 of this brochure AOS charges an asset based fee that ranges from 0.20%-1.2% dependent upon several factors including average account size, number of accounts, fee structures of third party model providers, if applicable, and whether AOS is providing its proprietary model portfolios to the Adviser. Fees will be calculated at the negotiated rate and will be billed in arrears.

### *General Information on Fees*

In certain circumstances, all fees and account minimums may be negotiable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

In addition to AOS's fees, Clients will be responsible for trading costs, custodian fees, transfer taxes, SEC fees and related fees. AOS pays third-party managers, if appointed by AOS, from its portion of the aggregate advisory fee which it bills to clients quarterly in arrears.

Clients may terminate any client agreement any time as provided therein or otherwise terminate that client's participation in the Program. Unless otherwise agreed, the termination of a client's participation in the Program shall be communicated to AOS by Adviser within ten days and will be effected by the termination by the custodian of the data feed and information that is specific to that client. Any such termination will terminate any further obligations of the parties hereunder with

respect to the Account of the applicable client, except for obligations incurred prior to the termination or as may otherwise be provided in a client agreement respecting Adviser's obligations thereunder. Upon termination of a client agreement or termination by a client of client's participation in the Program, Adviser will cooperate to effect the Client's directives respecting such termination.

Adviser may terminate this Agreement: (i) by providing AOS 60 days written notice of its intent to terminate; or (ii) immediately if AOS is in breach of the representations, warranties and covenants set forth in Section 10(b)(ii) or Section 10(b)(v) of this Agreement. If upon termination of this Agreement by the Adviser any Client elects or requests to have any of its Assets remain in the Program, AOS may recommend a separate third party investment adviser to that Client to serve as the investment adviser for that Client.

AOS may terminate this Agreement: (i) if the aggregate market value of all Accounts of Clients of the Adviser that participate in the Program at any time is below the Account minimum identified on Exhibit F (the "Aggregate Minimum") by providing Adviser 90 days written notice of AOS' intent to terminate; or (ii) immediately if Adviser is in breach of the representations, warranties and covenants set forth in Section 10(a)(ii) or Section 10(a)(vi) of this Agreement. The Aggregate Minimum may be updated from time to time by AOS, and AOS shall use reasonable efforts to communicate any updates to the Aggregate Minimum to Adviser. AOS must provide its services hereunder at the same level, quality and timeliness until termination of this Agreement as prior to its receipt or delivery of notice of termination.

AOS shall use its best efforts to provide Adviser at least 14 days' advance notice prior to terminating any third-party manager. Adviser must then assess whether the change in the Manager and/or Portfolios will negatively impact any Accounts, and if so, direct AOS to re-allocate such Assets. AOS shall not be liable to a Client for any losses, decreases in value, or adverse tax consequences that may result from the termination of a Manager, the appointment of a new Manager and any resulting transactions effected to changes in the composition of any Portfolio.

All fees paid to AOS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and an occasionally a marketing/distribution fee. A client could invest in a mutual fund directly, without the services of AOS. In that case, the client would not receive the services provided by AOS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

AOS's advisory professionals are compensated primarily through a salary and bonus structure. AOS's advisory professionals may receive commission-based compensation for the sale of insurance products. Please see Item 10 for detailed information and conflicts of interest.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

AOS does not charge any performance-based fees to clients.

## **Item 7. Types of Clients**

AOS primarily provides customized investment management services to registered investment advisers and their clients, which may be individuals and associated trusts, foundations, endowments, banks or thrift institutions, pension and profit sharing plans, and other corporations or business entities

not otherwise considered institutional clients. AOS considers portfolios of an aggregate value of less than \$5,000,000 to be non-institutional.

A minimum aggregate portfolio size of \$25,000; however, in certain circumstances the minimum portfolio size may be negotiable.

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

The objective of our asset allocation theory and models is to assist clients in achieving superior returns given their risk tolerance level. The combination of proprietary research, academic theory and market research helps to guide our asset allocation decisions. AOS may also utilize a variety of computer-simulated models in proposing asset allocations for clients.

AOS's manager research efforts often blend quantitative screens with an emphasis on our senior professional's product knowledge and the dynamic interaction between investment process and investment cycles. AOS's due diligence of third-party managers typically includes, but is not limited to, the following:

- Assets under management and growth in assets under management
- Ownership structure
- Investment thesis repeatability of investment process
- Industry reputation
- Depth of research staff
- Market cap analysis
- Portfolio duration and structure analysis
- Expenses
- Turnover & trading costs
- Composite construction methodology

AOS may use third-party databases such as Zephyr, Morningstar, Investment Metrics, and Evestment Alliance as primary tools for initial screening, quantitative, and comparative research of third party mutual funds, exchange-traded funds, and managers. AOS utilizes databases of various managers, and regularly reviews the portfolio performance and holdings of recommended managers in comparison to their peers.

### **Risk of Loss**

All investing involves a risk of loss that clients should be prepared to bear. The identification of securities and other assets believed to be undervalued is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired by third-party managers. AOS cannot give any guarantee that it will achieve a client's investment objectives or that clients will receive a return of its investment. Below is a summary of potentially material risks for each significant AOS investment strategy used, the methods of analysis used, and/or the particular type of security recommended.

Lack or Control – AOS will not have a role in the management of clients' third- party managed accounts and it will likely not have the opportunity to evaluate in advance the specific investments

made by any third-party managers. As a result, the rates of return to clients will primarily depend upon investment and management decisions of third-party managers and returns could be adversely affected by the unfavorable performance of such managers.

## **Item 9. Disciplinary Information**

AOS and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

## **Item 10. Other Financial Industry Activities and Affiliations**

As mentioned earlier, AOS provides its consulting services to numerous types of clients which may include financial organizations.

To mitigate actual and potential conflicts of interest, AOS will disallow any investment firm that purchases services from any employee from participating in any recommended list of investment firms prepared on behalf of AOS's clients. It is AOS's policy that no employee or any member of the employee's immediate family may sell any product or service to any investment firms that currently manage assets on behalf of AOS's clients.

AOS is partially controlled by Phil Kosmala and Joe Taiber, who jointly own Taiber Kosmala & Associates, LLC, an SEC-registered investment adviser headquartered in Chicago IL and Fusion Capital Management. Coppell Advisory Solutions, LLC d/b/a Fusion Capital Management, an SEC-registered investment adviser headquartered in Coppell, TX, is an affiliate of AOS. Fusion is affiliated with Partners Advantage Insurance Services LLC through common ownership. Partners Advantage Insurance Services LLC is an independent marketing organization providing distribution and other marketing functions for insurance companies. Agents affiliated or associated with Partners Advantage Insurance Services LLC may also be registered as investment adviser representatives of Fusion. Clients to whom the firm offers advisory services are informed that they are under no obligation to utilize the services of these agents for insurance services and may use the insurance brokerage firm and agent of their choosing.

Varsity Asset Management, LLC, is an SEC registered investment adviser affiliated with Fusion through common control and ownership. Ryan J. Borer, Managing Member, Anthony F. Apollaro, Jr., Member, and Jessie F. Stansberry, employee of Fusion also have an ownership interest in Varsity Asset Management, LLC.

Fusion is the parent company of PCM Advisory LLC dba Precision Capital Management (CRD#174239), a SEC registered investment adviser. Ryan J. Borer is the Managing Member. Scott Johnson acts as the Chief Compliance Officer of Precision Capital Management. Fusion does not expect its clients to become clients of Precision Capital Management as both firms offer identical investment advisory services. Precision Capital Management's advisory services and related fees are separate and distinct from any services or compensation paid to Fusion for its services.

Fusion has a partial ownership interest and control over Ministry Benefit Investments, LLC (CRD#281619) and Afferent Investments, LLC (CRD#282422). Both firms are SEC registered investment advisers. Certain owners and Management Persons of Fusion are also employed by Ministry Benefit Investments, LLC and Afferent Investments, LLC in various capacities. Additionally, Scott Johnson acts as the Chief Compliance Officer of Afferent Investments, LLC.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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

AOS has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) No member or employee of AOS shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of AOS shall prefer his or her own interest to that of the advisory client.
- 2) AOS maintains a list of all securities holdings for itself, and anyone associated with its advice my practice with access to advisory recommendations.
- 3) AOS emphasizes the unrestricted right of the client to decline to implement any advice rendered by AOS.
- 4) AOS emphasizes the unrestricted right of the client to select and choose any broker or dealer he or she wishes.
- 5) AOS requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

### **Code of Ethics**

AOS's Code of Ethics (the "Code") governs the business and employees of AOS. The Code provides principles and rules to be followed by members, officers and employees of AOS in the performance of their professional duties. The Code operates in conjunction with AOS's policies and procedures that govern employees.

The basic principle that governs the conduct of the applicant's business is loyalty to the interests of its clients. The Code provides that no AOS officer or employee, directly or indirectly, shall (a) employ any device, scheme or artifice to defraud a client; (b) engage in any act, practice or course of conduct which operates or would operate as a fraud to deceit upon a client; or (c) engage in any manipulative practice with respect to a client. The Code requires that no officer or employee profit, directly or indirectly from his or her position with AOS to the detriment or at the expense of clients; and no officer or employee of AOS shall take for his or her own advantage any corporate opportunity for profit, which he or she learns about due to such person's position with AOS.

AOS's Code, among other things, prohibits officers and employees of AOS from engaging in securities purchase and sale transactions while in possession of material non-public information or in a transaction that is known to be opposite AOS clients, to be a misuse of non-public or AOS information regarding clients, portfolios and securities and making, soliciting and accepting (other than as a family member) gifts of more than modest value, preferential treatment or other considerations. Conflicts of interest must be disclosed to AOS's Chief Compliance Officer, who is responsible for enforcing the Code.

AOS's Code also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide AOS with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest. A copy of the

Code will be provided to any client or perspective client upon request.

AOS's current Chief Compliance Officer is Phillip Kosmala. Mr. Kosmala is also engaged in providing advisory services to AOS clients and his background and experience is summarized in Form 2B.

## **Item 12. Brokerage Practices**

### **Custodian Recommendations**

AOS considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by AOS, AOS will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by AOS will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

### **How We Select Brokers/Custodians to Recommend**

AOS seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

## **Soft Dollar Arrangements**

As a result of the firm's recommendation to clients to custody assets with a specific custodian, the firm is deemed to be in receipt of soft dollar benefits from said custodian. Please refer to the following for disclosure of such benefits.

## **Institutional Trading and Custody Services**

The custodian provides AOS with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

## **Other Products and Services**

Custodian also makes available to AOS other products and services that benefit AOS but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of AOS's accounts, including accounts not maintained at custodian. The custodian may also make available to AOS software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of AOS's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help AOS manage and further develop its business enterprise. These services may include

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

The custodian may also provide other benefits such as educational events or occasional business entertainment of AOS personnel. In evaluating whether to recommend that clients custody their assets at the custodian, AOS may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

## **Independent Third Parties**

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to AOS. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to AOS.

## **Additional Compensation Received from Custodians**

AOS may participate in institutional customer programs sponsored by broker-dealers or custodians. AOS may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between AOS's participation in such programs and the investment advice it gives to its clients, although AOS receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving AOS 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
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to AOS by third-party vendors

The custodian may also pay for business consulting and professional services received by AOS's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for AOS's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit AOS but may not benefit its client accounts. These products or services may assist AOS in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help AOS manage and further develop its business enterprise. The benefits received by AOS or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

AOS also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require AOS to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, AOS will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by AOS's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for AOS's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, AOS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AOS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence AOS's recommendation of broker-dealers for custody and brokerage services.

## **Item 13. Review of Accounts**

AOS conducts reviews of (i) the model portfolios it manages, (ii) third-party managers it appoints on behalf of its adviser firm clients and their respective clients. Such reviews will be done on an ongoing basis but no less frequently than quarterly. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate. All accounts are reviewed by AOS's investment committee.

AOS may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how AOS formulates investment advice.

Clients should review the disclosure documents of recommended managers for information on the managers' account review practices.

Ongoing Performance Evaluation, Reports on Managers, and Investment Supervisory Services: AOS will provide clients with a quarterly report of manager performance.

Clients should review the disclosure documents of recommended managers for information on reports provided by the managers to clients.

AOS generally reports the value of client's investment portfolios to the client on a quarterly basis. The value of a client's investment portfolio also may be the basis of management fees to AOS.

AOS does not itself value the securities in a client's account. Rather, AOS relies upon values provided by the custodian, fund manager, fund auditor, and/or fund administrator. AOS understands that securities listed on exchanges are valued at their closing price as the last trading day of the calendar quarter as reported by the custodian or pricing service. The value of specified illiquid, foreign or private investments for which valuation information is not available through a custodian or an independent pricing service is generally provided by the fund's auditor, administrator, or the fund manager. In the event that AOS must internally "fair value" an investment, the Company will use its best efforts and all appropriate means to obtain all relevant information in order to determine a fair value. If it is deemed necessary or prudent, AOS may hire an independent third party to provide an appraisal of the investment.

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by AOS.

## **Item 14. Client Referrals and Other Compensation**

Please refer to the disclosures in Items 10 and 12 regarding referrals to third-party service providers and benefits the firm receives from its custodian(s). AOS may receive economic benefits for referring clients to third-party service providers. You are under no obligation to utilize any service provider recommended to you by AOS or its affiliates.

## **Item 15. Custody**

All clients' accounts are held in custody by unaffiliated qualified custodian, but the Company can access certain clients' funds through our ability to debit advisory fees. In these cases, AOS is considered to have custody of client assets under Rule 206(4)-2 under the Advisers Act. Account custodians send statements directly to the account owners on at least a quarterly basis. AOS urges

clients to carefully review these statements, and compare the statements to any account statements provided by AOS.

As a practical matter, neither AOS nor any manager will have possession or custody of cash and/or securities in any accounts or any responsibility or liability for custody, which will remain solely with custodian.

## **Item 16. Investment Discretion**

AOS's discretion is limited to implementing transactions necessary to allocate Assets among Portfolios as directed by Adviser. Such discretionary authority allows AOS, when AOS deems appropriate and without prior consultation with the Adviser or Client, to buy, sell, exchange, convert, and otherwise trade in any security or otherwise deal with Portfolio assets in its discretion and to delegate such investment discretion to Managers—but in all cases AOS's discretion is limited to implementing transactions necessary to allocate Assets among Portfolios as directed by Adviser. AOS or any Manager, as applicable, will direct the Custodians to effect transactions for the Accounts so that Assets are invested into and among Portfolios, including the implementation of Portfolio changes from time to time in their discretion.

## **Item 17. Voting Client Securities**

AOS does not vote or provide guidance regarding the voting of proxies. Clients are responsible for voting any such proxies. Clients should contact their custodian with questions about receiving proxies and process for the client to execute voting on such proxies.

## **Item 18. Financial Information**

AOS has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.



## Part 2B of Form ADV The Brochure Supplement

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Chicago, IL 60604 [www.taiberkosmala.com](http://www.taiberkosmala.com)

Filed: March 30, 2021

This brochure supplement provides information about Joseph Taiber and Phillip Kosmala. It supplements AOS's accompanying Form ADV brochure. Please contact AOS's Chief Compliance Officer, Phillip Kosmala, at 312-300-4781 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Joseph Taiber and Phillip Kosmala is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Joseph D. Taiber's Biographical Information**

### Educational Background and Business Experience

CFA

Born: 1970

### EDUCATION:

Mr. Taiber was awarded a BS in Finance from University of Iowa in 1993.

### BUSINESS BACKGROUND:

Executive Vice President, Director of Alternative Investment Research, Lowery Asset Consulting, LLC. November 2003 to June 2012.

Senior Investment Consultant, DiMeo, Schneider & Associates, LLC, April 1999 to November 2003.

Investment Analyst, Pearson Financial Group March 1997 to March 1999.

Analyst, Interealty Corporation, March 1995 to March 1997.

CFA Charter Minimum Qualifications: The Charter Financial Analyst (CFA) designation is an international professional certification issued by the CFA Institute (formerly AIMR) to qualified candidates who complete a series of three examinations. To become a candidate for a CFA charter, candidates must meet one of the following requirements: 1) Undergraduate degree and four years of professional experience involving investment decision-making, or 2) Four years qualified work experience (full time, but not necessarily investment related). Candidates may become a CFA Charter holder if they successfully pass three course exams. The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods; Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments; Portfolio Management and Analysis. CFA Charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. More information on the CFA charter is available at [www.cfainstitute.org](http://www.cfainstitute.org).

### Disciplinary Information

Mr. Taiber has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Taiber or of AOS.

### Other Business Activities

Mr. Taiber is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of AOS and Taiber Kosmala & Associates, LLC.

### Additional Compensation

Mr. Taiber does not receive economic benefits from any person or entity other than AOS in connection with the provision of investment advice to clients.

### Supervision

Mr. Taiber's investment recommendations are overseen by the Chief Compliance Officer, Phillip Kosmala. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Phillip J. Kosmala's Biographical Information**

### Educational Background and Business Experience

CFA

Born: 1971

### EDUCATION:

Mr. Kosmala was awarded a BS in Finance from DePaul University in 1993.

### BUSINESS BACKGROUND:

Executive Vice President, Director of Manager Research, Lowery Asset Consulting, LLC.

November 2003 to June 2012.

Chief Compliance Officer, Lowery Asset Consulting, LLC. May 2006 to June 2012.

Manager of Investment Research, DiMeo Schneider & Associates, July 1999 to November 2003. Examiner, U.S. Securities & Exchange Commission, March 1994 to July 1999.

CFA Charter Minimum Qualifications: The Charter Financial Analyst (CFA) designation is an international professional certification issued by the CFA Institute (formerly AIMR) to qualified candidates who complete a series of three examinations. To become a candidate for a CFA charter, candidates must meet one of the following requirements: 1) Undergraduate degree and four years of professional experience involving investment decision-making, or 2) Four years qualified work experience (full time, but not necessarily investment related). Candidates may become a CFA Charter holder if they successfully pass three course exams. The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods; Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments; Portfolio Management and Analysis. CFA Charter holders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct. More information on the CFA charter is available at [www.cfainstitute.org](http://www.cfainstitute.org).

### Disciplinary Information

Mr. Kosmala has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Kosmala or of AOS .

### Other Business Activities

Mr. Kosmala is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of AOS and Taiber Kosmala & Associates, LLC..

### Additional Compensation

Mr. Kosmala does not receive economic benefits from any person or entity other than AOS in connection with the provision of investment advice to clients.

### Supervision

Mr. Kosmala's investment recommendations are supervised by AOS's managing member Joseph Taiber and can be reached directly by calling the telephone number on the cover of this brochure supplement.