

Item 1: Cover Page



# Blue Advisors

Blue Advisory LLC

2290 Haverford Road  
Upper Arlington, OH 43220  
(724)914-1414  
[www.jblueadvisors.com](http://www.jblueadvisors.com)

**Form ADV Part 2A – Firm Brochure**

Dated March 7, 2024

This Brochure provides information about the qualifications and business practices of Blue Advisory LLC. If you have any questions about the contents of this Brochure, please contact us at (724)914-1414. 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.

Blue Advisory LLC is registered as an Investment Adviser with the State of Ohio and Pennsylvania. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Blue Advisory LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), which can be found using the firm's identification number, CRD 316516.

## Item 2: Material Changes

The last annual update of this Brochure was filed on March 8, 2023. Since then, the following changes have been made.

- Advisor no longer offers ongoing Financial Planning as a stand-alone service.
- The firm's address has changed to 2290 Haverford Road, Upper Arlington OH 43220.

### Future Changes

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by securities regulators. Either this complete Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Blue Advisory LLC.

## Item 3: Table of Contents

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## Item 4: Advisory Business

### Description of Advisory Firm

Blue Advisory LLC (hereinafter referred to as “Blue Advisors”, “we”, “firm”, and “us”) became registered as an Investment Adviser with the State of Ohio and Pennsylvania in 2021. James E. Blue II is the principal owner of Blue Advisors.

### Types of Advisory Services

#### Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a Client regarding the investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a Client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the Client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

*Separately Managed Accounts “SMA”* When appropriate to the management of a client's portfolio we will engage with sub-advisers through the use of Separately Managed Accounts “SMAs” where a portion of the client's account(s) are allocated to one or more professionally managed fixed income and/or equity strategy models. We will work with the client to select and determine the appropriate allocation for any SMAs used as part of their portfolio and will assist the client with completing any of the sub-advisor's account paperwork and/or agreements. Our review process and analysis of sub-advisers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to the use of SMAs are outlined in Item 5 of this brochure under “Other Types of Fees and Expenses”.

#### Financial Planning Services

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients purchasing this service will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address some or all of the following areas of concern. The Client and Blue Advisors will work together to select specific areas to cover. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first

based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts. We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.
- **Financial Goals:** We will help Clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet Clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance (“self-insuring”).
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

Financial Planning Services are offered on a Limited Scope or as a One-Time Financial Plan.

**Limited Scope Financial Planning** We provide financial planning services on a limited scope one-time engagement. Limited Scope Financial Planning is available for Clients looking to address specific questions or issues. The Client may choose from one or more of the above topics to cover or other areas as requested and agreed to by Blue Advisors. For Limited Scope Financial Planning, the Client will be ultimately responsible for the implementation of the financial plan.

**One-Time Financial Plan** This service involves working one-on-one with a planner to develop a one-time financial plan. Upon desiring a one-time financial plan, a client will have discussions with a planner to establish their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, employee benefits, retirement planning, investments, insurance, education planning and estate planning. Once the client’s information is reviewed, their plan will be built, analyzed, and then the findings, analysis and potential changes will be reviewed and discussed with the client. Clients engaging in this service will receive a written or electronic report, providing the client with a detailed financial plan with action steps designed to achieve his or her stated goals and objectives. This service generally requires meeting with the client three to four times over a time frame agreed upon with the client not to exceed six months. No Investment Management Services are provided in such an engagement. As this is considered a limited scope engagement, the Advisor is not responsible for monitoring progress or updating the plan. No follow-up advice is provided following the completion of the engagement. Clients are solely responsible for implementing any recommendations made by the planner. Clients are not obligated to implement any recommendations provided by the planner. Clients will maintain access to the planning software utilized in the development of their plan for 3 months after the delivery of the plan.

### **Client Tailored Services and Client Imposed Restrictions**

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients’ investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to Blue Advisors in writing. Blue Advisors will notify Clients if they are unable to accommodate any requests.

**Wrap Fee Programs**

We do not participate in wrap fee programs.

**Assets under Management**

Blue Advisors reports \$14,468,158 in discretionary and \$0 non-discretionary assets under management (“AUM”). AUM were calculated as of December 31, 2023.

**Item 5: Fees and Compensation**

Please note, unless a Client has received this brochure at least 48 hours prior to signing an investment advisory and/or Financial Planning Agreement (collectively, “Client Contract”), the Client Contract may be terminated by the Client within five (5) business days of signing the Client Contract without incurring any fees or penalty. How we are paid depends on the type of advisory services we perform. Below is a brief description of our fees, however, you should review your executed Client Contract for more detailed information regarding the exact fees you will be paying.

**Investment Management Services**

Our standard annual advisory fee is 0.80% assets under management, and may be negotiable in certain cases. The annual fee is paid monthly and in arrears based on the average daily balance throughout the month. No increase in the annual fee shall be effective without prior client consent.

Advisory fees are directly debited from Client accounts held at an unaffiliated third-party custodian. Accounts initiated during a calendar month will be charged a prorated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 5 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

**Limited Scope Financial Planning**

We also provide financial planning for \$200 per hour. The fee may be negotiable in certain cases and is due upon completion of the engagement. This service may be terminated by either party with 5 days' written notice. In the event of early termination by the Client, any fees for the hours already worked will be due. Fees for this service may be paid by electronic funds transfer or debit/credit card.

**One-Time Financial Plan**

A one-time financial plan will be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work and will be set forth and identified in an agreement between BA and the client. The fixed fee can range between \$2,500 - \$5,000. The fee is based on the complexity of the Client and may be negotiable in certain cases. If a fixed fee is chosen, \$250 is due at the beginning of the engagement and the remainder is due at the completion of the work. This service may be terminated by either party with 5 days' written notice. In the event of early termination by the Client, any prepaid but unearned fees will be refunded to the Client and any completed deliverables of the project will be provided to the client and no further fees will be charged. Fees for this service may be paid by electronic funds transfer or debit/credit card. At no time do we require prepayment of fees 6 or more months in advance of delivering the requested service.



### **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

When we utilize Separately Managed Account “SMA” portfolios offered by various Sub-Advisors, their management fees and any fees for trading in securities held within those SMAs are separate and in addition to any advisory fees we charge for our services. These fees are disclosed to clients at the start of an engagement if/when selecting an appropriate sub-advisor and SMA program.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for Client’s transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

We do not offer performance-based fees and do not engage in side-by-side management.

## **Item 7: Types of Clients**

We provide financial planning and portfolio management services to individuals, high net-worth individuals, charitable institutions, trusts, corporations and other businesses.

We do not have a minimum account size requirement.

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

Our primary methods of investment analysis are fundamental, technical and cyclical analysis.

**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’s industry. The resulting data is used to measure the true value of the company’s stock compared to the current market value. The risk of fundamental analysis is that the

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 using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Passive and Active Investment Management** We may choose investment vehicles that are considered passive, active, or a combination of both styles.

Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio.

Active investing involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Actively managed funds are also designed to reduce volatility and risk.

We may engage in both passive and active investing in your portfolio. However, we strive to construct portfolios of funds and individual securities that we believe will have the greatest probability for achieving our clients' personal financial goals with the least amount of volatility and risk rather than attempt to outperform an arbitrary index or benchmark.

Specific investment selections are based on a number of factors that we evaluate in order to select, what we believe to be, the highest quality funds or individual securities for our clients. These factors include but are not limited to underlying holdings of funds, percentage weighting of holdings within funds, liquidity, tax efficiency, bid/ask spreads, and other smart/strategic beta factors. These factors may or may not result in the lowest cost ETFs and mutual funds available when utilizing funds in a client's portfolio, but we strive to keep internal fund expenses as low as possible.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities, and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which the Clients invest.

**Mutual Funds** When a Client invests in open-end mutual funds or ETFs, the Client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, many of which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## Item 9: Disciplinary Information

### **Criminal or Civil Actions**

Blue Advisors and its management persons have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Blue Advisors and its management persons have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Blue Advisors and its management persons have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Blue Advisors or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

Neither Blue Advisors or its management persons is registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Blue Advisors or its management persons is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Neither Blue Advisors or its management persons have any relationship or arrangement with any related parties.

Blue Advisors only receives compensation directly from Clients. Blue Advisors does not receive compensation from any outside source.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, Blue Advisors may select Separately Managed Account “SMA” programs through various sub-advisors to manage a portion of their portfolio. In the event that we recommend an SMA and the sub-advisor who manages it, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. Total Client fees will not exceed 3% of the value of assets under management when a third-party investment advisor is used. You are not obligated, contractually or otherwise, to use the services of any sub-advisor that we recommend and can choose to restrict us from investing in certain Sub-Advisors or SMA programs. Additionally, Blue Advisors will only recommend a sub-advisor who is properly licensed or registered with the appropriate jurisdictions.

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

As a fiduciary, our firm has a duty of utmost good faith to act solely in the best interests of each Client. Our Clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

### **Code of Ethics Description**

This Code of Ethics does not attempt to identify all possible conflicts of interest, and compliance with each of its specific provisions will not shield our firm or its access persons from liability for misconduct that violates a fiduciary duty to our Clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Access persons shall offer and provide professional services with integrity.
- Objectivity - Access persons shall be objective in providing professional services to Clients.

- Competence - Access persons shall provide services to Clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Access persons shall perform professional services in a manner that is fair and reasonable to Clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Access persons shall not disclose confidential Client information without the specific consent of the Client unless in response to proper legal process, or as required by law.
- Professionalism - Access persons conduct in all matters shall reflect the credit of the profession.
- Diligence - Access persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its access persons, or any related person is authorized to recommend to a Client or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, principal transaction, among others.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm, its access persons, and its related persons may buy or sell securities similar to, or different from, those we recommend to Clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest, our Code of Ethics may require that we restrict or prohibit access persons' transactions in specific reportable securities. Any exceptions or trading pre-clearance must be approved by Blue Advisors's Chief Compliance Officer in advance of the transaction in an account. Blue Advisors maintains a copy of access persons' personal securities transaction as required.

### **Trading Securities At/Around the Same Time as Client's Securities**

From time to time our firm, its access persons, or its related persons may buy or sell securities for themselves at or around the same time as they buy or sell securities for Clients' account(s). To address this conflict, our Code of Ethics requires that we purchase or sell securities for our clients' accounts, if suitable and appropriate, before purchasing or selling any of the same securities for any accounts owned by us or our access persons. The only exception to this policy is where our firm or its access persons' transactions are bundled in an aggregate ("block") trade simultaneously with client accounts. This policy is not applicable to securities where no conflict of interest exists, such as shares of mutual funds that are equally priced daily.

## **Item 12: Brokerage Practices**

### **Factors Used to Select Custodians and/or Broker-Dealers**

In recommending broker-dealers, we have an obligation to seek the "best execution" of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer's services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer's:

- Execution capability;
- Commission rate;

- Financial responsibility;
- Responsiveness and customer service;
- Custodian capabilities;
- Research services/ancillary brokerage services provided; and
- Any other factors that we consider relevant.

With this in consideration, our firm recommends Charles Schwab & Co., Inc. (“Schwab”), an independent and unaffiliated SEC registered broker-dealer firm and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Although clients may request us to use a broker-dealer of their choosing, we generally recommend that clients open brokerage accounts with Schwab. We are not affiliated with Schwab. The Client will ultimately make the final decision of the Custodian to be used to hold the Client’s investments by signing the selected broker-dealer’s account opening documentation.

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

Schwab may provide us with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). This is commonly referred to as a “soft dollar” arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges paid by the client may be used to pay for research that is not used in managing that specific client’s account.

### **Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

### **The Custodian and Brokers We Use**

We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”)

**How we select brokers/custodians** We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill

- payment, etc.)
- Breadth of available investment products (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 the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

**Your brokerage and custody costs** For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

**Products and services available to us from Schwab** Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

**Services that benefit you** Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

**Services that may not directly benefit you** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

**Services that generally benefit only us** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events



- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

### **Aggregating (Block) Trading for Multiple Client Accounts**

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). We will then 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. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or access persons may participate in block trading with your accounts; however, they will not be given preferential treatment.

## **Item 13: Review of Accounts**

James E. Blue II, President and CCO of Blue Advisors, will work with Clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. Blue Advisors does not provide specific reports to Clients, other than financial plans. Clients who engage us for investment management services will have their account(s) reviewed regularly on a quarterly basis by James E. Blue II, President and CCO. The account(s) are reviewed with regards to the Client’s investment policies and risk tolerance levels.

Events that may trigger a special review would be unusual performance, addition or deletions of Client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per Client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Blue Advisors may provide written performance or holdings reports to Investment Management Clients outside of what is provided directly by their custodian as part of their account statements.

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

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

## **Item 15: Custody**

Blue Advisors does not accept custody of Client funds, however, we may be deemed to have limited custody due to our ability to withdraw management fees. For Client accounts in which Blue Advisors directly debits their management fee:

- i. Blue Advisors will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.

- ii. The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the management fee.
- iii. The Client will provide written authorization to Blue Advisors, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16: Investment Discretion

For those Client accounts where we provide Investment Management Services, we maintain discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

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 you any electronic solicitation to vote proxies.

## Item 18: Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our Clients, nor have we been the subject of any bankruptcy proceeding. We do not have custody of Client funds or securities, except as disclosed in Item 15 above, or require or solicit prepayment of more than \$500 in fees six months in advance.

## Item 19: Requirements for State-Registered Advisers

### Principal Officers

James E. Blue II serves as Blue Advisors's sole principal. Information about James E. Blue II's education, business background, and outside business activities can be found on his ADV Part 2B, Brochure Supplement attached to this Brochure.

**Outside Business**

All outside business information of Blue Advisors and James E. Blue II is disclosed in Item 10 of this Brochure.

**Performance-Based Fees**

Neither Blue Advisors nor James E. Blue II is compensated by performance-based fees.

**Material Disciplinary Disclosures**

No management person at Blue Advisors has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

**Material Relationships That Management Persons Have With Issuers of Securities**

Neither Blue Advisors nor James E. Blue II has any relationship or arrangement with issuers of securities.

**Business Continuity Plan**

Blue Advisors maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.

## Item 20: Additional Information

**IRA Rollover Considerations**

As part of our investment advisory services, we may recommend rolling over assets from an employer's retirement plan into an individual retirement account ("IRA") that Blue Advisors will manage on a client's behalf. If a client elects to roll the assets to an IRA that is subject to Blue Advisors's management, we will charge an asset-based fee as set forth in the agreement executed with Blue Advisors. This practice presents a conflict of interest because persons providing investment advice have an incentive to recommend a rollover to clients for the purpose of generating fee-based compensation rather than solely based on your needs. Clients are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if a client completes the rollover, they 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, client 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 a client is considering rolling over retirement funds to an IRA for Blue Advisors to manage, we provide several considerations before doing so:

1. Determine whether the investment options in the employer's retirement plan addresses your needs or whether you might want to consider other types of investments.
  - Employer retirement plans generally have a more limited investment menu than IRAs
  - Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. The current plan may have lower fees than Blue Advisors's fees.
3. Blue Advisors's strategy may have higher risk than the option(s) provided in the employer plan.
4. The current plan may also offer financial advice.
5. If clients keep assets titled in a 401k or retirement account, they can potentially delay their required minimum distribution age.
6. A 401k may offer more liability protection than a rollover IRA; each state may vary.
7. A client may be able to take out a loan on their 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 a client owns company stock in their plan, they may be able to liquidate those shares at a lower capital gains tax rate.

It is important that clients understand the differences between these types of accounts and to decide whether a rollover is the best option for their goals and objectives. Prior to proceeding, if a client has questions, they can contact our main number as listed on the cover page of this Disclosure Brochure.



# Blue Advisors

Blue Advisory LLC

2290 Haverford Road  
Upper Arlington, OH 43220  
(724)914-1414  
[www.jblueadvisors.com](http://www.jblueadvisors.com)

## **Form ADV Part 2B – Brochure Supplement**

Dated March 7, 2024

*For*

**James E. Blue II**

President and Chief Compliance Officer

This brochure supplement provides information about James E. Blue II that supplements the Blue Advisory LLC (“Blue Advisors”) brochure. A copy of that brochure precedes this supplement. Please contact James E. Blue II if the Blue Advisors brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about James E. Blue II is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 6205303.

## Item 2: Educational Background and Business Experience

### James E. Blue II

Born: 1982

#### Educational Background

- 2005 – Bachelor of Science in Business Administration, University of Pittsburgh

#### Business Experience

- 08/2021 – Present, Blue Advisory LLC, President and CCO
- 03/2021 – 01/2022, Wealthcare Advisory Partners, Investment Adviser Representative
- 09/2014 – 08/2021, Rootstock Investment Management, Senior Director
- 05/2013 – 09/2014, Merrill Lynch, Financial Advisor

#### Professional Designations

**CFP (Certified Financial Planner)®:** The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3: Disciplinary Information

James E. Blue II has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### Item 4: Other Business Activities

James E. Blue II is not involved with outside business activities.

### Item 5: Additional Compensation

James E. Blue II does not receive any economic benefit from any person, company, or organization, in exchange for providing Clients advisory services through Blue Advisors.

### Item 6: Supervision

James E. Blue II as Chief Compliance Officer of Blue Advisors, is the sole investment adviser representative. Should there be additional representatives in the future, James E. Blue II would be responsible for their supervision. James E. Blue II is bound by Blue Advisors's Code of Ethics. Clients may contact James E. Blue II at the phone number on this brochure supplement.

### Item 7: Requirements for State Registered Advisers

James E. Blue II has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.