



**Daybright Advisory Services, Inc.**

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July 31, 2025

This Brochure provides information about the qualifications and business practices of Daybright Advisory Services, Inc. ("Daybright"). If you have any questions about the contents of this Brochure, please contact us by telephone at 888-673-5440 or by email at [mbrown@daybright.com](mailto:mbrown@daybright.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

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

## Item 2 – Material Changes

Investment Advisers are required to prepare a disclosure document (“Brochure”) that describes the firm and its business practices. Pursuant to SEC rules, we are required to update our Brochure at least annually and provide you with a summary of any material changes since the previous annual amendment.

We prepared this updated Brochure, dated July 31, 2025. This Brochure update incorporates the business practices of three related investment advisory practices, as discussed below. The disclosures have changed significantly since our last update. We encourage you to read it in its entirety.

The following material changes were made to this Brochure since our last annual update dated March 11, 2025.

- Effective July 1, 2025, TRPC Advisory Services changed its legal and primary business name to Daybright Advisory Services, Inc.
- Effective July 1, 2025, our parent company merged two other wholly-owned advisory businesses (Ingham/Russell Investment Advisors, Inc. and PASI Investments, LLC) into TRPC Advisory Services under the new name of Daybright Advisory Services, Inc.
- The primary business address of the consolidated entity changed to:

9350 South Dixie Highway.  
Suite 1560  
Miami, Florida 33156

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 fiscal year. You may request our complete Brochure at any time by contacting us by phone at 888-673-5440 or by email at [mbrown@daybright.com](mailto:mbrown@daybright.com).

You can find this document as well as other information about Daybright Advisory Services, Inc and at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about persons affiliated with Daybright Advisory Services who are registered as investment adviser representatives.

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## **Item 4 – Advisory Business**

Daybright Advisory Services, Inc., formerly known as TRPC Advisory Services Inc., is an affiliate of The Retirement Plan Company, LLC, both of which are 100% owned by Daybright Financial. Daybright Advisory Services has been in business since 2005.

Effective July 1, 2025, TRPC Advisory Services, Inc. merged with affiliated investment advisers, Ingham/Russell Investment Advisors, Inc. and PASI Investments, LLC. The combined entity's name was concurrently changed to Daybright Advisory Services, Inc.

### **PENSION CONSULTING AND PENSION INVESTMENT MANAGEMENT**

Our firm provides retirement plan consulting to business owners and investment advice to sponsors of 401(k) or other self-directed retirement plans. Our plans typically are either “pooled accounts” where the plan trustees make all investment decisions, or “participant directed accounts” where employees are given the ability and responsibility to direct the investment of their retirement dollars. We seek to provide fiduciary guidance and education to the sponsors, trustees and participants to aid them in managing their investments successfully.

Daybright also provides:

- Ongoing educational materials and recommends model investment portfolios with various allocations based on age, risk tolerance, and personal circumstances.
- Record-keeping services including comprehensive quarterly participant account statements and ongoing review of investment models and selected funds so as to maximize investment performance.
- Investment advice to individuals, particularly those approaching retirement age, or in retirement.
- Working with our clients, we develop an "Investment Policy Statement" for the account.
- For pooled account clients, we generally recommend no-load mutual funds, corporate securities, government securities and certificates of deposit. These recommended investments are intended to provide the investment choices and allocations necessary for clients to comply with the provisions in their Investment Policy Statement.
- For participant directed accounts, we generally recommend a selection of no-load mutual funds from the universe of available funds. These mutual funds are categorized to represent a broad range of asset classes. We monitor the performance, management, and style changes of the funds in the plan, and make further recommendations when necessary.

### **Managed Retirement Plan Advisory Services**

Daybright offers discretionary investment advisory services geared primarily for the Sponsors and Trustees of retirement plans (“Managed RPs”) who wish to have their investment options managed. The majority of the Managed RPs are 401(k) Plans. We provide qualified pension and profit sharing plans with recommendations for the mutual fund options to be included in their employee benefits plan. As needed, we make changes to the investment option line-up subject to the discretionary authority granted to us by the plan sponsor.

### **Supporting Portfolio Management Services**

Daybright provides plan sponsors with certain investment research and analysis intended to assist the plan sponsor in making investment decisions. The plan sponsor engages Daybright to provide non-discretionary investment advisory services and has the sole responsibility for selecting

specific investment options to be made available to the plan's participants. Daybright may recommend specific investments, however it is the plan sponsor who retains the ultimate decision-making authority.

### **Objective Setting**

From time to time, Daybright personnel will meet with plan participants to provide general investment education, which may include basic information regarding stocks, bonds, mutual funds, inflation, risk and diversification.

The general investment education provided by Daybright is intended to assist plan participants in defining appropriate investment objectives considering their unique situation to help plan participants define appropriate investment objectives considering their unique situation and tolerance for risk. Daybright does not provide investment advisory services for participants, and specifically does not recommend securities or investment strategies to individual participants.

### **Asset Allocation**

Although our clients are the plan sponsors, Daybright also may provide participant education meetings with plan participants to assist plan participants in allocating their assets among the different investment options such as mutual funds, ETFs, bank certificates of deposits and FDIC-insured interest-bearing demand deposit accounts, considering general investment risk and diversification. Daybright may also provide a customized enrollment form with sample investment strategies that are intended to help meet the diversification needs of plan participants by grouping investments into five categories:

- High Growth
- Moderate Growth
- Balanced Approach
- Conservative Approach
- Capital Preservation

In addition, Daybright may make available to the plan participant(s) a custom strategy pursuant to which a participant may design his/her own allocation using any or all of the available investment options offered by the plan. This educational information and other tools will be provided on the explicit understanding that such information does not, in any way, constitute recommendations as to securities in which the plan participant should invest or other form of investment advice to the plan participant. Daybright does not recommend that a participant choose any particular strategy or any particular fund offered on the plan's platform.

Daybright offers an option called My Personalized Retirement that plan sponsors can offer to their employees. My Personalized Retirement is a diversified (stocks and bonds) approach to investing using the participant's specific individual factors (age, wage, account value, deferral contribution and employer contribution), leaning more on capital appreciation during the early part of the participant's working career and gradually leaning more towards capital preservation as he or she approaches retirement age. Quarterly, individual factors are refreshed, and the portfolio is rebalanced.

Daybright creates and maintains investment models. The models function very much like the asset allocation strategies except that Daybright may re-weight the investments in the model to attempt to obtain market returns while controlling risk. Models are typically rebalanced each quarter.

### INDIVIDUAL PORTFOLIO MANAGEMENT

Daybright provides discretionary investment advice to individuals. We structure client portfolios based on an asset allocation utilizing a broad range of asset classes. The asset allocation is determined based upon the financial goals and risk tolerance of each individual client, based on the information provided to us by the client. Investment selections within each asset class consist of, but are not limited to, stocks, bonds, mutual funds, exchange traded funds, certificates of deposits and cash/cash equivalents.

To commence the investment advisory process, Daybright will ascertain each client's investment objective(s) and then allocate the client's assets consistent with the client's designated investment objective(s). Once allocated Daybright provides ongoing supervision of the account(s). Before engaging Daybright to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Daybright setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fee that is due from the client.

### SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS

We also offer advisory management services to our clients through our Selection and Monitoring of Third-Party Money Managers programs (hereinafter, "Programs").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established. This asset allocation strategy is drafted into the client's Investment Policy Statement ("IPS").

Based on the client's individual circumstances and needs we will then perform manager searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most suitable investment adviser(s) for the client, we provide the selected adviser(s) with the client's IPS. The adviser(s) then create(s) and manages the client's portfolio based on the client's individual needs as exhibited in the IPS.

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client or is not managing the client's portfolio in a manner consistent with the client's IPS, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. Under this scenario, our firm assists the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

## FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive 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. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client.

Services may include, but not be limited to, the following:

- Retirement Planning
- General, Segmented and Comprehensive Financial Planning
- Educational Planning Cash Flow Analysis
- Estate Planning
- Budget Planning
- Tax Planning
- Insurance Needs Analysis
- Business Continuity, Succession and Exit Planning
- Asset Allocation Recommendations
- Executive Planning
- Corporate Benefit Consulting

Daybright will gather information and history from clients, which retirement and financial goals, investment objectives, investment time horizon, financial needs, cost of living needs, educational needs, savings tendencies and other applicable financial information required by Daybright in order to provide the financial planning services requested.

The level and type of services will depend on the needs, goals and objectives of the client. Clients may receive a written analysis, summary or plan. One or more meetings may be necessary with the client and may involve other professionals, as invited and agreed to by client, such as attorneys and/or certified public accountants.

Fees for planning are separate and distinct from other advisory services offered by Daybright such as portfolio management or other financial consulting services. Any fees associated with the implementation of the financial plan will be charged separately, and in addition to, the planning fee.

## INVESTMENT ADVICE SPECIFIC TO RETIREMENT ACCOUNT ROLLOVERS

In the event that Daybright provides recommendations to an individual client with a retirement account at a former employer, the client typically has one or more of the following options with respect to the account(s): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA") or (iv) cash out the account value (subject to taxes and potential penalties).

If Daybright recommends that a client roll over their retirement plan assets into an account to be managed by Daybright, such a recommendation creates a conflict of interest if Daybright will

receive compensation as a result of the recommendation. No client is under any obligation to rollover retirement plan assets to an account managed by Daybright.

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

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

### **Client-Imposed Restrictions**

All clients have the opportunity to impose reasonable restrictions on the securities purchased or the way the account is managed. Any restrictions may adversely affect the risk-reward level of a portfolio. We will honor the restrictions absent extraordinary circumstances. Clients who impose restrictions with respect to certain assets in a managed account may cause a portion of the portfolio to be placed outside the manager's discretion, expertise and judgment as to the wisdom of purchasing, holding or selling particular securities. The decision by a client to retain certain assets may have an adverse impact on the amount of risk assumed by the client and may hinder the investment manager's ability to manage the portfolio properly according to the stated objectives of the client.

### **Assets under Management**

As of June 30, 2025, Daybright has regulatory assets under management of **\$2,250,064,103** on a discretionary basis and **\$1,962,297,428** on a non-discretionary basis for a total of **\$4,212,361,531**. *These numbers represent the total regulatory assets under management after the three affiliated advisory businesses were merged, as described at the beginning of this section.*

## **Item 5 – Fees and Compensation**

For the investment management services we provide, clients are charged a fee calculated based on the value of their account. Fees are negotiable based on factors particular to the engagement but typically range from .05% to 1.5%. In limited circumstances, Daybright may agree to a fixed fee arrangement. Fees are billed monthly or quarterly and may be calculated in advance or arrears.

The specific fee and any related terms and conditions are set forth in the agreement between the client and the firm, and is based on a number of factors such as:

- The amount of assets in the account.
- The nature and complexity of the services and reports provided.
- The number of plan participants.
- The type of retirement plan being serviced.
- Other factors.

Clients may, but are not required to, grant Daybright the authority to debit advisory fees directly from the clients' accounts. If the client authorizes Daybright to debit fees, Daybright is deemed to have custody of the client's funds. Clients will receive a statement, usually monthly but no less than quarterly, directly from their account custodian. Daybright urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from Daybright. It is client's responsibility to verify the fee calculation. Neither the account custodian, plan administrator, nor independent plan trustee verifies the advisory fee calculation. Please refer to Item 15 of this document for additional disclosures relating to Custody.

Daybright may, from time to time, recommend third-party managers to manage all or a portion of the client's portfolio. Third-party managers charge a separate advisory fee which the client will pay in addition to the fee paid to Daybright. These fees are disclosed to and agreed upon by the client in advance of engaging the third-party manager.

The advisory fee covers only the portfolio management and advisory services provided by Daybright and does not include plan administration fees, brokerage commissions, trade away fees, prime broker fees, mark-up and mark-downs, exchange fees, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, transfer fees, wire fees, interest, taxes, or other account expenses. All fees paid to Daybright for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or in conjunction with internal expenses associated with exchange-traded funds. The client will be solely responsible, directly or indirectly, for these additional expenses. As discussed in Item 10, Daybright or its affiliates, receive recordkeeping fees from the mutual funds held in some retirement plans. These fees are used to offset the advisory fee paid by the client. Daybright does not receive any benefit from these additional fees. Refer to Item 12 for a detailed discussion of brokerage practices.

Either party may terminate the advisory agreement by providing at least 30 days' notice to the other party in writing. The client is responsible for fees due for services rendered through the date of termination. Upon termination, if any fees were paid in advance by the client, the client will receive a pro-rata refund since the date of termination. Refer to the specific termination terms and conditions in your advisory agreement.

Financial Planning fees are determined based on the nature of the services provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client. Fees may be charged at a fixed or hourly rate. Fixed fee plans typically range from \$1,500 to \$5,000. Hourly rates range from \$175 to \$250 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. We may request a retainer upon completion of our initial fact-finding session with the client with the balance due upon completion of the plan.

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

We do not charge any fees based on a share of capital gains or capital appreciation of the assets of a client.

## Item 7 – Types of Clients

Daybright offers non-discretionary and discretionary investment advisory services to individuals & personal trusts, pension & profit sharing plans, government entities and other institutional clients.

Advisory services for individuals require a \$100,000 account minimum. However, Daybright may waive this minimum at its sole discretion.

Daybright does not have a stated minimum fee for institutional clients but maintains the right to terminate or decline to accept an account if the account is effectively too small to benefit from our services.

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

### Methods of Analysis

Our analysis methods rely on the assumption that the investments we purchase and sell, the rating and research agencies that review these investments, and other publicly available sources of information about these investments, provide accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Daybright uses the following methods of analysis in formulating our investment advice and in managing client assets:

***Source of Returns Analysis.*** Investment returns may be driven by enterprise risk, structure, or the competitive advantage of a given manager. As a result, much of our analysis focuses on understanding the underlying drivers of the return and related risks of the various assets we are investing in. While the complete set of parameters associated with an investment are too numerous to list, they may be represented by equity characteristics such as companies' relative size, price, and profitability. Other fixed income characteristics may include term, credit, liquidity, the real rate, and whether the investment is real or nominal. We also consider whether various structural approaches may be able to produce additional forms of return due to variables such as leverage, illiquidity, and others. Lastly, we consider if opportunities exist to enhance a given investment's return by seeking access to managers with a competitive advantage and demonstrated and reproducible skill. Risk, structure, and competitive advantage all contribute to the potential return of a given investment. Our analysis seeks to identify compensated forms of risk and weight strategies in those forms in which we have the highest degree of confidence.

***Mutual Fund and ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF to determine if that manager has demonstrated an ability to invest over a period of time and in different conditions. We also look at the underlying assets in a mutual fund or ETF to determine if there is a significant overlap in the underlying investments in any other funds in a client's portfolio. We also monitor the funds or ETFs to determine if they continue to follow their stated investment strategy.

***Third-Party Money Manager Analysis.*** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers to determine if that manager has demonstrated an ability to invest over a period of time and in different conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

## Investment Strategies

Daybright uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons (among other considerations):

***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity, fixed income, and cash suitable to the client's investment goals and risk tolerance. A portfolio diversified across multiple asset allocation may not participate in sharp increases in a particular security, industry, or market sector. Likewise, it would not participate in sharp decreases to any particular component. Furthermore, the equity, fixed income, and cash ratio will change over time due to stock and market movements and, if not rebalanced regularly and timely, will no longer be appropriate for the client's goals.

***Long-term purchases.*** We manage client portfolios and make securities recommendations with a long-term outlook. We expect the majority of positions in a client account will be held for a year or longer. Typically, we employ this strategy when we want exposure to a particular asset class over time, regardless of the current projection for this asset class.

## Risk of Loss

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

While Daybright recommends client portfolios diversify across various asset classes consistent with their Investment Policy Statement in an effort to reduce volatility, all portfolios are subject to risks. Below is a description of the primary risks client portfolios face:

***Management Risks.*** While Daybright manages client portfolios based on Daybright's experience, research and proprietary methods, the value of client portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client portfolios are subject to the risk that Daybright allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Daybright's specific investment choices could underperform their relevant indexes.

***Risks of Investments in Mutual Funds, ETFs and Other Investment Vehicles.*** Daybright invests client portfolios in mutual funds, ETFs and other investment pools ("pooled investment vehicles"). Investments in pooled investment vehicles are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment vehicles' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment vehicles are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

**Equity Market Risks.** Daybright will generally recommend that a portion of client assets are allocated directly into equity investments, primarily stocks, or into pooled investment vehicles that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

**Fixed Income Risks.** Daybright may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment vehicles that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

**Foreign Securities Risks.** Daybright may invest portions of client assets into pooled investment vehicles that invest internationally. While foreign investments are important to the diversification of client portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

## **Item 9 – Disciplinary Information**

We are required to disclose material disciplinary events. As such, Daybright has no material disciplinary events to disclose.

## **Item 10 – Other Financial Industries Activities and Affiliations**

Parent company, Daybright Financial, is an independent national financial services company, specializing in public school and governmental employee benefits plans, and employer-sponsored retirement plans in the United States. Daybright Financial helps clients in participating in employer retirement plans, such as 403(b) and 457(b) plans; and provides employers with employer sponsored retirement plans, such as 403(b) and 457 (b), as well as services, including benefits design, Internet-based benefits enrollment system, 403(b) third party administration, FICA alternative plans, special pay plans, and employee education. The company also provides advisors with tools that range from workshops to client management applications and financial planning tools. In addition, Daybright Financial is majority owner of Daybright Securities, LLC, a limited purpose FINRA-member broker/dealer. Daybright Securities, LLC does not participate in any client transaction or otherwise has any conflicts of interest with Daybright advisory clients.

### **Plan Administration and Recordkeeping**

Daybright's affiliate, The Retirement Plan Company, LLC, ("TRPC") provides recordkeeping, administration, actuarial and consulting services to qualified retirement plans. The Retirement Plan Company provides these services to some Daybright clients. Daybright recommends the services provided by The Retirement Plan Company to advisory clients, and vice versa. Daybright clients are not required to use the services of the affiliated company as a condition of utilizing the services of Daybright.

For purposes of these disclosures, TRPC referenced above includes the recordkeeping and administrative services formerly offered under affiliates TRPC Advisory Services, Ingham Retirement Group and PASI, LLC. These affiliated entities have been rebranded under the Daybright Financial umbrella.

TRPC entered into agreements with various mutual fund companies to provide certain administrative and recordkeeping functions for defined contribution retirement plans. Based on these agreements, TRPC is entitled to collect various fees and recordkeeping subsidies from the mutual fund companies. The fees can take the form of a fixed charge per participant or may be a percentage charge of the value of the account managed. In addition, very infrequently certain mutual funds pay TRPC a fee equal to a percentage of the newly invested dollars as additional compensation. These fees are determined by the mutual fund companies and not by Daybright. Daybright is not in any way affiliated with these fund companies. The plan sponsor may consider these fees when selecting the investment choices for plan participants due to the potential of reduced cost to plan sponsors and participants. The various fees and recordkeeping subsidies collected by TRPC are disclosed in TRPC's service agreement with the client, in fund prospectuses and in applicable agreements between TRPC and the mutual fund companies.

Our advisory fees will always be offset for compensation earned by Daybright (or its affiliates) from pension, profit-sharing, 401(k), IRA or other client accounts where to do otherwise would constitute a prohibited transaction under the provisions of ERISA or the Internal Revenue Code and where an exemption from such prohibition is not otherwise applicable.

Clients should be aware that the receipt of additional compensation by Daybright, its affiliates, management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Daybright endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- We disclose to clients that they are not obligated to purchase investment products recommended by our employees or affiliated companies.
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance.
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are appropriate for the client's needs and circumstances.
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Employees of Daybright may buy or sell investments for their personal account(s) at or about the same time these same investment products are recommended to clients. In addition, a related person may have a position in a particular security which may also be recommended to the clients.

To avoid potential conflicts of interest involving personal trading practices, Daybright adopted a Code of Ethics (“Code”), which includes a formal personal securities transaction and insider trading policies and procedures. Our Code is designed to prevent the personal securities transactions, activities and interests of our employees from interfering with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Code requires, among other things, that our employees:

- act with integrity and in an ethical manner with the public, clients, and prospective clients;
- place the interests of clients above one’s interests;
- attempt to avoid actual or potential conflict of interest;
- conduct all personal securities transactions in a manner consistent with this policy;
- use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- comply with applicable provisions of federal securities laws.

The Code also requires our employees to pre-clear certain personal securities transactions (IPOs and private placements), to report personal securities transactions on at least a quarterly basis, and to provide us with a detailed summary of investment which such employees have a direct or indirect beneficial interest upon commencement of employment and annually thereafter.

A copy of the Code will be provided to any client or prospective client upon request.

### **Item 12 – Brokerage Practices**

Obtaining best execution is an important aspect of every trade that we place in client accounts. Best execution can be described as seeking the most favorable terms for completing client transactions considering all relevant circumstances at the time.

When selecting broker-dealers to execute client transactions, Daybright will seek the best combination of price and execution for a particular transaction. Daybright evaluates the services provided by broker-dealers and may consider, among other things:

- Reliability, efficiency and overall quality of service provided;
- Transaction costs;
- Specialization in a particular market;
- Liquidity provided;

- Online services;
- Value of any investment research provided;
- Financial condition;
- Integrity and reputation;
- Error resolution.

Daybright typically executes client transactions through the broker that also serves as custodian for the account. Clients have the opportunity to select the custodian and/or broker-dealer of their choice. However, Daybright primarily recommends clients utilize the custodial and brokerage services of the following FINRA/SIPC member broker-dealers:

- Fidelity Brokerage Services/National Financial Services (collectively “Fidelity”)
- Charles Schwab & Co.
- MG Trust Company/Matrix Settlement & Clearing (collectively “Matrix”)
- Mid-Atlantic Capital Corp
- Empower Retirement
- John Hancock

The reason for preferring these firms includes, but is not limited to: discounted commission rates; dedicated trading and/or client service personnel; availability of no load, no transaction fee, load-waved and institutional class mutual funds; access to electronic and/or block trading; daily transaction download and reconciliation files; discounts on compliance, marketing, research, technology and practice management products and services provided by third party vendors; and familiarity of our staff with their operational procedures. While the receipt of these economic benefits - which are not typically available to the custodians’ retail customers - creates a potential conflict of interest, there is no direct link between Daybright’s participation in the platform and the advice it gives to clients and does not depend on the amount of brokerage transactions directed to these custodians. Not all investment advisers require clients to use the services of a particular broker-dealer or custodian.

On occasion, Daybright may determine that trading through another broker (“trading away”) may provide clients with better overall execution quality than by trading directly with the custodian. Trading away is often beneficial when trading fixed income securities, since brokers specializing in bonds have larger inventories, better access to specific bonds and more advantageous pricing. Also, when executing large blocks of stocks or ETFs, execution quality may be improved by trading with a specialist in that market.

Trading away may cause the client to incur additional fees from the executing broker and/or the custodian. Daybright believes that any additional fees (including trade-away fees, brokerage commissions, soft dollar commissions, mark-ups, spreads, etc.) are offset by the benefit gained from trading away due to the potential for improvement in execution price.

Clients may request that their account be held at a custodian – and transactions executed at a broker-dealer – other than one recommended by Daybright. Acceptance of a directed brokerage arrangement is subject to our discretion. If accepted, the client understands that Daybright may not be able to negotiate the best available execution. As a result, transactions in accounts directed by the client to a particular broker-dealer may result in less favorable net prices than would be the case if Daybright were authorized to choose the brokers or dealers through which to execute transactions for the client's account. Furthermore, transactions directed by the client may be executed after transactions for accounts where Daybright determines the broker-dealer to execute

the trades. Therefore, by directing brokerage, clients may not receive best execution on transactions and may incur higher costs.

Daybright typically does not aggregate client purchase and sale orders of securities with those of other clients. However, if Daybright chooses to aggregate orders, we will do so only if aggregation is reasonably likely to result in an overall economic benefit to clients participating in the trade. Clients participating in an aggregated order will receive the average price of all transactions executed on a pro-rata basis. If an order is partially filled, shares will be allocated pro rata based on the client's initial participation in the transaction. To the extent that the limited availability of a security would result in a de minimis allocation, Daybright may exclude one or more accounts from participating in the order and/or select an alternative allocation method provided that such method is fair and equitable to all client accounts over time.

### **Item 13 – Review of Accounts**

Client accounts are monitored on an ongoing basis and reviewed no less than quarterly. The accounts are reviewed to ensure the portfolio is invested according to the client's Investment Policy Statement, adheres to their guidelines and restrictions, and is appropriate for their tolerance for risk. Additional reviews may occur more frequently due to such factors as inflows to or outflows from an account, significant market movements, economic or political events, or by changes in the client's current financial situation.

In addition to the monthly statements and confirmations of transactions that clients receive from their account custodian, we provide monthly or quarterly reports which may include account performance, balances and holdings.

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

Pursuant to a written agreement between Daybright's affiliate, TRPC, and Schwab, Schwab refers suitable potential Plan Sponsors clients to TRPC for recordkeeping and related administrative services. TRPC, in return, pays Schwab a percentage of the fee received from the client. Schwab fully discloses this arrangement to the prospective Plan Sponsor in writing at the time of solicitation, and the Plan Sponsor must acknowledge that the referral payments to Schwab are reasonable in nature. Schwab does not refer investment advisory clients to Daybright.

#### **Additional Compensation**

Daybright affiliate, TRPC, receives sub-accounting fees paid by mutual fund companies to subsidize the cost of participant recordkeeping services. TRPC's client service agreement provides that direct client recordkeeping and administrative billings will be reduced by revenues received from mutual fund companies.

For a fee, Matrix Settlement & Clearing Services, Mid-Atlantic Capital Corporation, and Charles Schwab & Co., Inc. ("Custodians") will collect these fees and recordkeeping subsidies due to TRPC from the mutual funds in which TRPC's clients are invested.

### **Item 15 – Custody**

Daybright is deemed to have custody of client accounts when investment advisory fees are directly debited from client accounts. Debiting fees is done pursuant to authorization provided by each client. Usually monthly, but no less than quarterly, clients receive account statements directly from the custodian of their account. Custodial statements include account holdings, market values

and any activity that occurred during the period, including the deduction of investment advisory fees. Daybright urges clients to compare information contained in reports provided by Daybright with the account statements received directly from the account custodian. Differences in portfolio value may occur due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and, (4) dividends earned but not received.

Daybright is also deemed to have custody of client assets when clients authorize Daybright to distribute assets from their accounts to a specific named recipient in accordance with a standing letter of instruction. Daybright intends to comply with the SEC No-Action Letter dated February 21, 2017 (Investment Adviser Association) allowing firms who comply with all of the provisions of the no-action letter to forego the annual surprise custody examination with respect to those assets.

Daybright also has custody of client assets due to client authorization of Daybright's affiliate and related person, The Retirement Plan Company, LLC, to direct custodians to make withdrawals and transfers from client accounts under certain circumstances when appropriate. Accordingly, and in compliance with regulatory requirements, Daybright engages an independent CPA firm to conduct an annual verification of the assets in such client accounts.

### **Item 16 – Investment Discretion**

Where Daybright has discretionary authority, pursuant to a written agreement with the client, Daybright will determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. Daybright will observe the investment policy guidelines, limitations and restrictions provided by the client in writing.

### **Item 17 – Voting Clients Securities**

Daybright does not take action or have any authority to vote proxies for the securities held in client accounts. Clients will receive all proxies and other solicitations directly from their custodian. Upon request, Daybright will assist clients with the proxy process and may occasionally offer a recommendation on how to vote a particular issue. Furthermore, Daybright will have no obligation to take any action with respect to any securities subject to any legal proceedings, such as class action lawsuits or bankruptcy.

### **Item 18 – Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Daybright has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered.